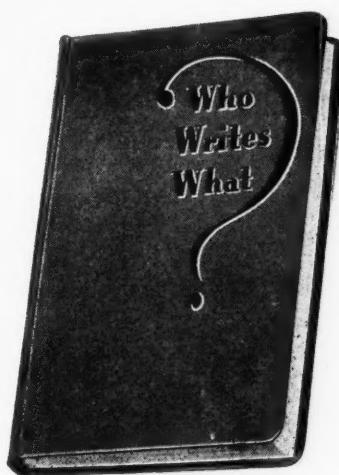


# The NATIONAL UNDERWRITER

*Life Insurance Edition*



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- What companies take older ages?
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- Who uses graded death benefits on sub-standard?
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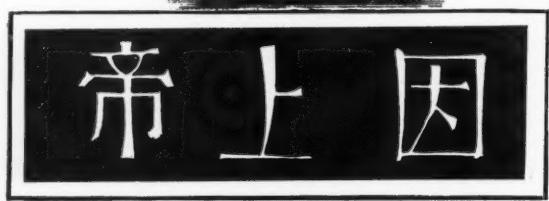
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**FRIDAY, NOVEMBER 12, 1943**



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When you say "Waiver of Premiums Benefit".

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## Job Instructor Training Plan Is Employed

### Metropolitan Finds War Industries Method Shortens Instruction Period

NEW YORK—Metropolitan Life has found the job instructor training program developed for war industries to be extremely useful in shortening the time needed to instruct new employees in their jobs and existing employees in new duties, according to J. W. Cunningham, assistant to the personnel officer. Job instructor training is one of the three parts of the training-within-industry program of the War Manpower Commission, the other two parts being job methods training and job relations training. Recent issues of the Reader's Digest have carried articles about the program.

Job instructor training, or J.I.T. as it is known, is based on the principle that if the employee hasn't learned it is because the instructor hasn't taught him properly. The big difference between J.I.T. and other systems is that it condenses the teaching process to the minimum essentials.

#### Must Explain How and Why

Perhaps the chief distinction between the new plan and customary systems is its insistence that the learner, after supposedly absorbing what he is being taught, explain back to the instructor what he is doing and why. It is not enough just to go through the motions, as frequently this can be done without having an intelligent grasp of the operation. The learner must explain the part that the operation he is performing plays in the entire process. This not only produces interest in the work but greater skill.

For example, it was found in a factory making a part for bombsights that the rejections by inspectors for faulty workmanship went down amazingly when the women who were making these parts appreciated what the part was for and how important it was that it be made accurately. It might not be thought that the same principle would apply in the case of office work but at Metropolitan it was found that girls doing rather monotonous routine jobs worked with new interest and accuracy when they were given an idea of how their particular job fitted into the company's larger job of providing protection for policyholders.

#### Used on Punch-Card Operations

In one application of this J.I.T. principle all girls who were being put on the handling of punch-card tabulating machines were given a broader understanding of how the machines operate and what they do than had previously been customary. The result was that when these girls operated the machines and gave their more experienced co-workers some idea of what they had learned, these more experienced ones wanted similar instruction.

While the method has not been adopted as a general company policy, the training program has been made available at the discretion of department heads, to those in supervisory positions and to those whose duties include the training of other workers.

(CONTINUED ON LAST PAGE)

## Capabilities of States Big Question at Hearings

By ROBERT B. MITCHELL

The federal government could do a better job of protecting the interests of the insurance buyers than their respective state governments are capable of doing and, therefore, it should be permitted to step into the picture via the federal anti-trust laws in the very probable event that the Supreme Court holds insurance to be commerce.

That was the substance and sum of the arguments advanced against Senate bill 1362 before the Van Nuys subcommittee of the Senate judiciary committee. Neither the mellifluous oratory of Senator O'Mahoney of Wyoming nor the plaintive harangue of Attorney-general Roy McKittrick of Missouri at last week's hearing added anything appreciable to the contentions advanced the previous week by U. S. Attorney-general Francis Biddle. None of these witnesses, nor Assistant U. S. Attorney-general Wendell Berge, who concluded the government's case last week, advanced any cogent reason for believing that insurance is commerce or that the federal government could do anything for the policyholders that the states are not doing or could not do if they were so minded.

#### Questioning of McKittrick

The fact that there is little to the government's argument beyond the supposition that it could do more for the policyholders than the states can was brought out with the greatest clarity in the questioning of McKittrick by Representative Hatton Sumners of Texas, chairman of the House judiciary committee and Senator Ferguson of Michigan.

When Biddle testified he had to be somewhat mindful that it was not the federal government's place to question the adequacy of state laws but McKittrick was under no such restraint. He freely confessed to a belief that state laws are incapable of coping with the insurance business because of its interstate character even though the questioning of Sumners and Ferguson on this point made him look like a rather incompetent law enforcement officer for not having done a better job of enforcing the Missouri insurance laws applying to the practices of which he complained.

Summers and Ferguson did their best to get a satisfactory answer from McKittrick as to what there is about the interstate character of the insurance business that would give rise to a hope that the federal government could do any better job of regulating insurance than the states are doing or could do if they cared to, or are capable of doing.

#### Summers' Pointed Inquiry

"You say the state of Missouri hasn't got the power to handle this, and as a state officer you are coming up and asking the federal government to take over in some degree?" Summers asked. "Do you mean as a state officer you want the federal government to go in there and exercise that control over your state?"

McKittrick replied that the federal government doesn't exercise any control by reason of the Sherman anti-trust law.

"Doesn't the state of Missouri have the power, as a sovereign state, to determine the conditions under which an outside insurance company may come into that state and do business?" Summers continued.

McKittrick admitted this but when asked why that isn't as much control as is needed he replied, "Because their method of doing business is extra territorial and the state of Missouri cannot

reach out beyond the limits of the state.

"You can keep them out, can't you?" he asked, to which McKittrick agreed. "You can put them out, can't you?" Summers continued.

"If you put them out you are going to destroy—" McKittrick started to say when Summers interrupted him.

"Do you mean to tell that if some outsider didn't come in and organize an insurance company in the state of Missouri that you fellows would have your houses burned up and wouldn't have any insurance? Haven't you got enough initiative and capital and people in that state who would like to engage in the insurance business to start local insurance companies?

"We have local insurance companies." "You can control them, can't you?" "Yes."

"But I understood your statement to be that you are powerless to handle this situation?"

"That is correct."

"When you have the power to keep out any outside company that you don't want to come in, and you have local companies of your own?" Summers asked skeptically.

"It is just a fact that exists."

"We don't think it exists in Texas." "I can't take issue with you on that. I am not as familiar with Texas."

#### Machinery Is There

"What makes you think the federal court would do a better job than the state court?" Senator Ferguson asked McKittrick. "You want to give this power to the federal government. I can't yet understand why the state government can't do as much justice to the job as the federal government. It is local, it is there, you have all the machinery, you are the attorney-general."

"Because the organizations of the companies are built up in such a way that the federal government is the only one that has access to all of the ramifications of the different organizations—the state has not."

"Well, they have agents in the state. Couldn't you put them out if they don't produce their books and papers, couldn't you put them out of the state?"

"You mean the companies?"

"Yes, for failing to comply with your laws?"

"That is what I am trying to do now, to punish them."

#### State Can't Hire Experts

McKittrick made quite a point of his contention that the organizations of insurance companies are so complex and have so many different experts, so many different remedies and means by which they develop their schedules and classifications that it would take more experts than the state could hire to see whether these rates and classifications are justified.

"If a state," Summers asked, "says to an outside insurance company, 'if you are going to do business in Missouri we don't care anything about your experts or stuff, but you have got to do business

(CONTINUED ON PAGE 18)

## Life Insurance Rejections Reported for 1942

The department of information, Institute of Life Insurance, estimates that in 1942 there were 328,000 applications for ordinary life insurance that were rejected for all causes by United States companies. Of these it is estimated that approximately 69% were rejected for physical reasons.

## Parkinson Laments Lack of Bond Sales to Individuals

### Equitable President Gives Views on Fiscal Matters in N. Y. Talk

NEW YORK—President T. I. Parkinson of Equitable Society, in his talk before the New York City C.L.U. chapter, heartily endorsed Canada's plan of paying a small commission to insurance agents and others who sell government bonds as a means of getting excess spending power out of the hands of the lower income groups where it constitutes a dangerous inflationary pressure. Seeing no chance of this being done within the next 12 months, regardless of what turn politics may take, Mr. Parkinson urged as the best alternative, the vigorous and widespread sale of life insurance.

Mr. Parkinson dispelled any possible fears that the recent third war loan drive had removed any large segment of the buying power for life insurance when he said that comparatively little of the volume of bonds sold in the recent drive was to individuals, the greater part of the quota being accounted for by the sale of one year Treasury obligations which corporations bought and out of which they will pay their income and excess profits taxes next year. Such securities are not the same as getting the money out of the hands of individuals, he emphasized.

#### Selling Bonds to Banks

Mr. Parkinson criticised strongly the Treasury's method of financing the war to such a large extent through the sale of bonds to the commercial banks. He explained that since the banks can issue currency against the bonds which they buy the effect is exactly the same as if the government issued greenbacks with the added advantage to the government, he remarked, that it is not even put to the expense of printing the money.

Canada, said Mr. Parkinson, appreciates the inflationary danger of financing the war through selling bonds to commercial banks. In its fifth war loan last spring Canada did not sell a dollar's worth of bonds to the commercial banks, the entire issue going to the people or to savings institutions. This was not accomplished however, Mr. Parkinson pointed out, on a voluntary or catch-as-catch-can basis. The government did not ask life insurance salesmen to give gratis the time they needed to make a living nor did they ask the insurance companies to supply facilities for nothing. Realizing the importance of selling to the people as against selling to commercial banks, Canada organized a sales force and paid for getting the job done. It cost something to do this but Canada realized that it was worth a price, in terms of staving off inflation by syphoning off the excess spending power.

#### Favors a Sales Tax

Because of present circumstances, Mr. Parkinson said he had changed his views on the desirability of a sales tax and is now in favor of it. Quoting the Treasury's figures to the effect that about 80% of the purchasing power is now in the lower income groups, he said (CONTINUED ON PAGE 20)

## Nonforfeiture Value Questions Weighed

### Five Factors Involved Under Model Law, Cannon Tells Actuaries

SAN FRANCISCO—"C. S. O. Table and Related Subjects," a paper presented by G. E. Cannon at the fall meeting of the Actuarial Club of the Pacific, brought out the greatest amount of discussion during the sessions.

In the past, he said, nonforfeiture values have been the result of applying a formula involving the reserve and the surrender charge.

Under the model law there are five factors of importance: Mortality table, rate of interest, amount of initial expense assumed, method of amortizing initial expense, adaptability of method of calculation to definition.

The only mortality table available for use in nonforfeiture values is the CSO.

The interest assumption is one of considerable importance. There may be some difference in viewpoint when considering the interest rate for par as compared with non-par policies.

#### Consent of Commissioner

Under the standard valuation law a higher rate of interest for nonforfeiture values than for reserves may be used upon receiving consent from the commissioner. If the difference is more than  $\frac{1}{2}\%$  then some plan for paying settlement dividends may be required. There is, therefore, an indirect connection between reserves and nonforfeiture values.

Possibly the greatest single question to answer in connection with the interest rate is whether to use the valuation rate or a higher rate for nonforfeiture values.

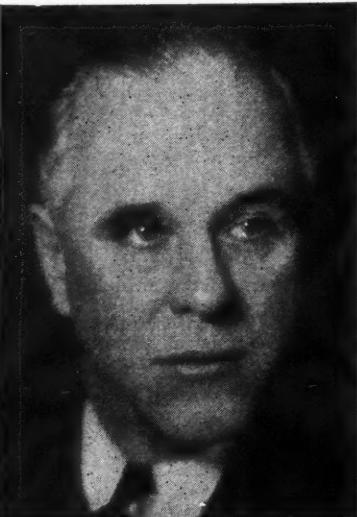
If a conservative rate of interest has been decided upon for reserves and if minimum nonforfeiture values at the valuation rate of interest are considered to be too high in comparison with asset shares, it is due to the fact that the provision for expense is not sufficient. To bring nonforfeiture values in line, a higher rate of interest for their calculation might be used. This adjustment tends to give only nominal increases in the earlier years for the ordinary life plan. Comparatively large increases in later years result for ordinary life and especially for limited payment life policies. Endowment policies show the maximum difference in the middle years dwindling off to zero at maturity. Adoption of a higher rate of interest for nonforfeiture values would thus seem to require some form of settlement dividend for life policies if fair treatment of withdrawing policyholders is to be preserved.

#### Settlement Dividends

It might be found impractical to apply the principle of settlement dividends to one form of policy and not to another. It would seem then that the advisability of adopting a higher rate of interest for nonforfeiture values resolves itself into a discussion of the pros and cons of settlement dividends for all policies. A company operating on a modified preliminary term basis already recognizes expenses on a somewhat realistic basis. In addition surplus funds are maintained for the continuing policyholders. Participating policies also have the benefit of the annual dividend apportionment to call upon in case of emergency. In view of these facts, it is not clear why any additional margin provided through settlement dividends is needed in a modified preliminary term company.

For these reasons the rate of interest favored for calculating nonforfeiture values is the valuation rate. By using the same mortality table and interest rate for both nonforfeiture values and reserves, the policy values become linked to the reserve, but this may be modified

## H. T. Wright Reaches Million 20th Time



HARRY T. WRIGHT

Harry T. Wright, associate agency manager of Equitable Society in Chicago, and past president of the National Association of Life Underwriters, has just completed qualification for the Million Dollar Club Round Table for the 20th consecutive year. He started selling for Equitable in 1907. During the past 20 years Mr. Wright's average annual production has been \$1,263,000 on an average of more than 100 lives per year. His clients include many of Chicago's business and civic leaders.

Mr. Wright has served as president of the Chicago association and was chairman of the Million Dollar Round Table. He was National association trustee in 1936, secretary in 1938, vice-president in 1939, and president in 1940.

later by changing the reserve basis if it is found desirable.

The expense assumption and its amortization have a marked effect on nonforfeiture values. The expense allowance used may be anything up to the maximum allowed by law and the amortization period may be for the full premium paying period. Reducing either of these will increase nonforfeiture values above the legal minimum. One solution might be to use the full expense allowance and amortize over 20 years the amount in excess of that provided by the reserve standard used. The resulting value at the end of 20 years would then be equal to the full reserve. For the policy years before 20 the values would be on a modified basis, larger than the minimum. If it were desired to pay less than the full reserve as a cash value at the twentieth year then a portion of the expense could be amortized over 20 years and the balance amortized over the premium paying period.

Arthur W. England led the discussion, and Francis M. Hope in discussing it called attention to the investment rate of interest taking into account the investment gains and losses since 1900. Barrett N. Coates, Marcus Gunn and Gordon Thompson discussed the points raised, particularly the question of interest rates.

The topic, "Do companies permit the recipient under a supplementary contract to name a beneficiary to whom the unpaid balance shall be paid upon the death of the recipient," after informal talks, brought forth the general feeling that companies should not permit such designation, unless the second beneficiary is named in the policy.

The repayment of loans by beneficiaries when they wish to take settlement options, and the rights of beneficiaries to deposits made with the company as advance premiums also came in for some consideration.

On the topic of the proposed new

## Continental Group Buys Own Home Office Building

Continental Casualty and Continental Assurance this week purchased the 29-story office building at 310 South Michigan avenue, Chicago, for \$5,350,000 cash and plan to occupy it in 1947 as home offices. The companies' lease on their present quarters at 910 South Michigan avenue, where they have been located for more than 30 years, has four years to run.

The building was purchased from Northwestern Mutual Life which acquired the title in January, 1940, when income from the building proved insufficient to make a reduction on the \$9,600,000 mortgage held by the company. Originally known as the Straus building, then as the 310 South Michigan building, the structure will be renamed the Continental Companies building. It was built in 1924 at a cost of approximately \$15,000,000.

The Continental companies now are occupying about 133,000 square feet at 910 South Michigan. They have been expanding rapidly and for several years have been shopping for their own quarters. Aggregate assets recently passed the \$100 million mark. They have more than 1,200 home office employees. They do not expect to use all of the more than 400,000 square feet of rentable space in the newly acquired property. The western department offices of Great American are in 310 South Michigan.

The branch office of the Continental companies in the Insurance Exchange and the life office at 100 South La Salle, Chicago, will continue to be maintained.

## Dinner in Chicago Winds Up Victory Sales Drive of Equitable Society

Walter L. Gottschall, director of agencies of Equitable Society in the western division, presided at the dinner of that company's assistant managers and group supervisors in Chicago which wound up the "Carry On To Victory" sales campaign. The assistant managers and group supervisors selected competitors in the campaign and each bet the price of a dinner that he would win. The dinner this week paid off these debts. Paul Speicher, R. & R. Service, gave an address.

The Courtenay Barber agency wing, Chicago, led the central air force with \$44,534 average volume per member while the Samuel Lustgarten, wing of Chicago, had the largest volume, \$2,520,611. The H. A. Chipman, wing of Columbus led in premium volume with \$170,576; M. C. Nelson, Des Moines, in applications with 588.5, and C. W. Poole, Aberdeen, S. D., in percent of crew members participating.

Total production for the central air force was \$18,621,241 representing 5,572 applications. M. L. Alberts, Woody wing, Chicago, was the ace producer with \$389,725; B. H. Katz, Lustgarten, Chicago, second with \$348,500 and R. G. Mathews, Chipman, Columbus, O., third with \$252,228. The Grossberg unit of the Lustgarten agency led in both volume, \$951,000, and average volume per member, \$73,154.

convention blank, it seemed to be the opinion it is an improvement.

Estimates for 1943 elicited the opinion that the outlook is favorable, that there will be shown a decrease in surrenders and lapsations, that the mortality experience would be favorable and that the loss ratios on accident and health business would be low.

Carl E. Herfurth of Coates & Herfurth was reelected president, and Floyd Young of the Western Life was reelected vice-president as was E. MacRea of Occidental Life as secretary.

## More Applicants Being Rejected at Present Time

NEW YORK—More applicants are being rejected for life insurance than there have been for a long time. Agents are necessarily turning their prospecting efforts to a greater extent to men over 38 and it is natural there should be a greater number of declinations among the older ages. As pre-Pearl Harbor fathers go into the service in larger numbers with the scraping of the bottom of the manpower barrel of men without dependents, it is likely that this will continue. It is impossible to take 8,000 young men out of the market without shooting up the declination rate, underwriters point out.

A problem at the present time is how to treat men in the 4F classification and those who are discharged from the army. In many cases these individuals are neutrals. Of course, if a man loses an arm at Guadalcanal and receives a discharge, the reason is clear. Those men who are discharged in this country present an underwriting problem when the reason given for the discharge does not appear to be a reasonable one.

## Zone 4 Commissioners Act on States' Rights, Group Hospitalization, Other Issues

At the meeting of Zone 4 commissioners in Bismarck, N. D., last week the states' rights resolution adopted by the National Association of Insurance Commissioners Oct. 8 was reaffirmed and the N.A.I.C. committee charged with watching federal legislation on insurance will be asked to call on Attorney-general Biddle for details of his charges that supervision in some states is inadequate.

Considerable progress was reported in the work of the committee of the national association with regard to recommendations on definitions of insurance and combinations of lines. This committee was created for this purpose at the request of the commissioners of Zone 4 at the last meeting.

Commissioners of Zone 4 voted to ask the committee on group hospitalization to study the various hospitalization plans for the purpose of devising a uniform law.

The commissioners suggested that legislation should be passed by all states that would make prison terms mandatory for falsification of annual statements.

Various problems relating to taxation of life insurance premiums, examinations, cargo insurance, hospitalization insurance, group life insurance and changes in annual statement blanks were referred to the proper committees of the national association.

The next zone meeting will be held in Lansing, Mich., on call of Chairman Viehmann of Indiana. Others attending the meeting were: Erickson of North Dakota, Burt of South Dakota, Johnson of Minnesota, Fischer of Iowa, Forbes of Michigan, Chief Casualty Examiner Yaude of Wisconsin, and Deputy Commissioner Barr of Illinois.

## Advances Newark Dinner

NEWARK—The dinner-meeting of the Life Insurance & Trust Council of North Jersey has been advanced to Nov. 22. Trust officers of various banks in northern New Jersey who are scheduled to be in Newark for a bankers' meeting are being invited. Michael N. Chanalis, Newark attorney and Henry C. Koster, financial analyst of New York City, will talk on taxation matters. It is also anticipated that there will be a general discussion of trusts, business insurance, power of appointment, etc.

November 12, 1943

## N.A.L.U. Acts on Sales to Army Men

Files Brief with War Department—Hearing in Los Angeles

LOS ANGELES—The National Association of Life Underwriters has submitted a brief to the War Department regarding the solicitation of life insurance at army posts, John R. Mage, Northwestern Mutual Life, Los Angeles, president California association, announced at the hearing here called by Commissioner Garrison. Mr. Mage reported that he had talked by telephone with James E. Rutherford, executive vice-president National association, and the latter had reported the association was in close touch with the situation.

Although the hearing called here was primarily devoted to the activities at California military posts by agents of Phoenix Mutual Life of Arizona and the A. O. U. W., Kansas fraternal, neither of which are licensed in the state, the recent War Department ruling secured by Commissioner Read of Oklahoma was given full consideration. Life men are seeking to get the War Department to modify its ruling by eliminating the requirement that the agent present "written evidence" of an appointment in order to secure entrance to the post, which hinders the work of legitimate agents. No formal decision was arrived at during the conference but a summary of the discussions will be submitted to the department in Washington for consideration.

### Sold 300 Policies

The California insurance department submitted a report of its investigations of the two unlicensed companies. During a six week period in April and May an agent of Phoenix Mutual of Arizona sold 300 policies totalling about \$500,000 in face value in a central California camp. The agent collected \$2,856 in premiums in cash and secured allotments from the insured approximating \$10,000 per year. The insurance department notified the service men of the situation and as a result the assured succeeded in having a portion of the cash returned and at least some of the allotments revoked. During the investigation, the agent lent his aid to the department in correcting the wrongs. According to the Arizona insurance department, Phoenix Mutual, as of Dec. 31, 1942, had \$3,116 admitted assets.

When agents of the A.O.U.W. of Kansas, also unlicensed in California, learned of the investigation, they ceased their activities in California and went to Utah. Only a half dozen policies were written by these agents, as far as the California department can determine.

Wyckoff Westover, administrative assistant to the commissioner, who has been in charge of the investigations, contacted the insurance departments of other states. The only other state taking action was Oklahoma. The army ruling secured by Commissioner Read of that state has been previously announced.

At the opening of the conference, Mr. Garrison stated he had been in telephonic communication with John J. McCloy, assistant secretary of war who stated that the war department is determined that service men must not be mulcted by questionable insurance practices. Mr. McCloy asked Mr. Garrison to call the matter to the attention of the National Association of Insurance Commissioners so that all states may be apprised of the situation.

Mr. Westover reported that the agents involved had taken the position that because the sales were made on federal property they were outside state jurisdiction.

Lieut. William Stuart, San Diego,

(CONTINUED ON PAGE 28)

## Payment of Legal Fees on Pensions Held Rebating

LINCOLN, NEB.—The payment of any of the legal fees by the agent in connection with pension trust cases is held to be rebating by E. D. Gerye, assistant insurance director of Nebraska, in a statement given Director Frazier. Such a practice would constitute a return of part of the premium, he said.

The trust agreement, Mr. Gerye holds, is not insurance, and the corporation has the choice of buying coverage without any trust provisions. As the corporation can procure the benefit of a deduction from income by setting up a trust to administer the pension features, it would seem to be its primary obligation to pay all legal fees. Under ordinary circumstances a corporation would consult its counsel before embarking upon any important business transaction, and it follows that it is its duty to hire and pay its own counsel in these cases.

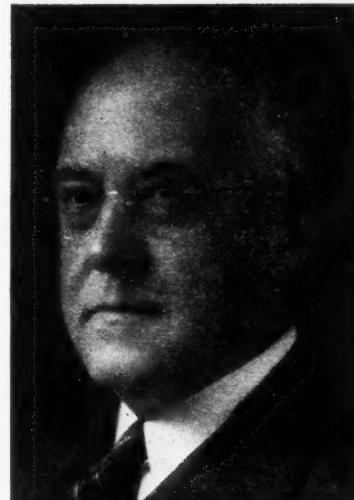
The agent, he points out, can pay such legal fees only out of his commissions or the amount to be received from the sale of policies to the trustees, and since the primary obligation to pay the fees is that of the corporation, his payment of them would constitute a rebate.

### Commissioners N. Y.

#### Luncheon Is Set for Nov. 29

NEW YORK—The luncheon which the insurance fraternity of New York gives each year for the commissioners and out of town guests attending the National Association of Insurance Commissioners convention will be on Monday, Nov. 29 at the Hotel Commodore. Speakers and details of arrangements will be announced shortly. A. N. Butler, vice-president of Corroon & Reynolds, is chairman of the committee.

## Observes 25th Anniversary with Minnesota Mutual



HENRY W. ALLSTROM

ST. PAUL—Henry W. Allstrom, vice-president and actuary, is being feted on his 25th anniversary with Minnesota Mutual Life. He has been in life insurance more than 40 years, having started in the actuarial department of Manhattan Life.

Subsequently he was with New York Life and Occidental Life in Los Angeles, where he was secretary-actuary and a director. Later he was actuary of Northwestern National Life of Minneapolis, going from that company to Minnesota Mutual as actuary-secretary. He was made vice-president and actuary in 1929.

The Cincinnati agency of Northwestern National Life has moved its offices to the Mercantile Library building there.

## Many Leaders Plan for Post-War Era

### Economist Bailey Sounds an Encouraging Note After His Studies

Prof. W. B. Bailey, economist of Travelers, in a talk in Cincinnati asserted that the most encouraging thing today is that thousands of business leaders are planning and preparing to make the post-war age good. There is a growing recognition, he finds, on the part of American industry of the importance of providing employment in the post-war era and definite plans are being made toward that end. In earlier days, he said, business organizations grasped for profit but were inclined to overlook their obligations to those who made those profits possible, their employees and also customers.

### Corporate Business Comes of Age

Corporate business, Professor Bailey said, has now come of age. Leaders in all lines are seriously considering providing employment for returned soldiers and displaced war workers. High level employment in the years following the war is essential, business leaders recognize. If the government has to provide jobs for all war 15,000,000 workers, he declared, it would have to invade fields now dominated by private industry to do it. Industrial leaders, he said, are willing to risk private capital to create new opportunities for employment. After having watched how American industry succeeded in the problem of conversion to all-out war production in less than a year Professor Bailey is confident that it can also solve the problem of high level employment in the post-war era.

### Comments on Inflation

There is danger of inflation, in his opinion, and there will be until industry is fully reconverted to peace time production. As long as that cautionary, conservative attitude persists there is little danger of inflation, in his opinion. As long as an element of uncertainty exists people are likely to hang on to their money. There is always danger of inflation, also, he added, whenever the national income far exceeds the value of consumers goods that can be produced to meet this income. He opines that there will be less bickering between the government and business in the post war years than during the decade of the 30's.

### Look Toward the Future

Telling about his views for the future of insurance, he said:

"I think it is very likely that the general price level will be at least 25% higher than it was before we entered the war. That means that men will need at least 25% more life insurance if their families are to enjoy the same living standards that they wanted them to have before the war. Life insurance sold to the soldiers during the last war stimulated their interest in additional life insurance after they returned to civilian life. The National Service Life Insurance, sold to the 10 or 12 million men in military service in this war, should help to arouse the desire for more adequate protection when these men return to peacetime jobs."

### Peacetime Readjustment

One of the problems which life companies will have to solve after the war is the education of agents in prospecting among the groups which will benefit from the pick-up in businesses in peace time industry. Now, for example, there are agents specializing on army and navy officers and on prospects in war production plants. With the return of peace, these agents will have to change their prospecting habits. Peace may bring about as difficult a readjustment problem for some agents as the war has for others.

## Across the Counter

The cashier (or office manager) of an agency is the executive in charge of office procedure and office personnel, and the keeper of the company's necessarily manifold rules and regulations.

He (or she) is the contact between the agency and the insured public—the helpful voice on the phone with a last-minute reminder of due date—the diplomat who takes care of the visiting anxious policyholder, talking him out of surrendering or into reinstating the lapsed policy. And often it is the cashier whose keen perception brings to light the hidden need for additional insurance or for change of beneficiaries.

But the cashier is also the confidant of the general agent in financial affairs, lending the sympathetic and trained ear to all troubles both business and personal. It is frequently up to the cashier to preserve the harried general agent's equilibrium, to soothe the high-strung underwriter, and to act as cheer leader of the neophyte agent's development. He is everybody's uncle.

An efficient cashier, quietly on the job across the counter, helps the agency to a good reputation. People like to see a fine machine work well, and a good cashier is the agency's lubricant.

\* \* \*

### THE PENN MUTUAL LIFE INSURANCE CO.

WILLIAM H. KINGSLEY  
Chairman of the Board

JOHN A. STEVENSON  
President

INDEPENDENCE SQUARE, PHILADELPHIA

## Actuary Tells How Situation Affects Pension Trusts

There has been no decentralization of the process of approval of pension trusts and profit sharing plans by the Treasury and there have been no rulings on the amounts of deductions which are allowable, Arthur S. Hansen, consulting actuary in Chicago who is adviser to the Treasury, told the Life Insurance & Trust Council of that city at a meeting Monday. He gave a somewhat technical exposition of the Treasury's approach to pension plans.

Mr. Hansen said on the subject of discrimination, which is a point on which the Treasury is very touchy, it is now considered that officers of a corporation are employees within the purview of the act and regulations affecting the setting up of pension trust and profit sharing plans; that supervisors and shareholders no longer present a problem, and that only the highly compensated employees may cause difficulties—that is, those receiving \$3,000 or over annually. Congress when it passed the bill did not have the whole picture before it, he said, but it realized some of the answers could not be written out in the law and the details must be determined by the tax commissioner.

### All Inclusive Plan Better

The government does not require absolutely equitable treatment of all employees, but it is safer to give some benefits to employees in lower compensation brackets in order to avoid complaint of discrimination in favor of highly compensated employees. An effect of extending the plan downward to include all employees is that it may thus cover 20 times as many employees for only double the cost of a more restricted plan, Mr. Hansen explained.

It is essential that the plan be for the benefit of the employees and not the employer. The law and regulations have been modified so that the only sum that can be returned to the employer is the residue left after the plan has been terminated and all obligations set up by the plan have been discharged. This modification was for the purpose of checking any tendency of companies to invest large sums of surplus in a plan in the hope of improving the tax payment and eventually getting the money back.

### Notes Various Hybrid Plans

Mr. Hansen drew the distinction between pension trusts and profit sharing plans. The first must have benefits and costs that are actuarially determinable; the latter is the reverse, providing no definite benefits except as may depend on future contributions. There are, however, a number of hybrid plans which so far have not been precisely catalogued, he said.

Mr. Hansen was introduced by Paul W. Cook, general agent Mutual Benefit. Without doubt one of the problems to come up for consideration soon in Congress is whether it is necessary to integrate pension and profit sharing plans to social security, Harve Page, Northern Trust Co., council chairman, stated in his introductory remarks. He announced Randolph Paul, Treasury counsel, will address the National Tax Conference in the Palmer House, Chicago, Nov. 22, and the council was invited to attend.

### Unemployment Tax Case to Illinois Supreme Court

The case of New York Life vs. Murphy now is on appeal to the Illinois supreme court. This is the case in which the lower courts upheld State Labor Commissioner Murphy in his contention

that the unemployment tax is payable on insurance agents' commission from inception of the unemployment compensation act to 1941, when the state law was amended to make clear their exclusion.

Joseph Townsend, attorney for New York Life, is filing plaintiff's brief by Nov. 23. The attorney-general has until Jan. 10 to reply, and then the plaintiff's attorney will have until Jan. 17 to file a reply brief.

The court probably will not get to a ruling until March or April. Commissions to fire and casualty agents as well as life agents are involved, and if Commissioner Murphy's contention is upheld, Illinois insurance offices may be called upon to pay several hundred thousand dollars.

### Saltonstall N. Y. Speaker

NEW YORK—The Insurance Federation of New York will hold its annual meeting at the Hotel Commodore Dec. 22. The business meeting will be at 10 a. m. followed by the election. President Harry H. Wadsworth, Syracuse, will preside. Governor Saltonstall of Massachusetts will be the only speaker. He will discuss "States Rights and Free Enterprise."

Win friends by distributing 1944 Income Tax Reduction Records. Write National Underwriter for sample.

## Economist Decries Threat of Mandatory Insurance

BIRMINGHAM—The threatened legislative movement that would establish a mandatory system of insurance for the present voluntary plan was condemned by Dr. Gus W. Dyer, Vanderbilt University, economic adviser of the Southern States Industrial Council, before a meeting here sponsored by Associated Industries of Alabama, Protective Life, Liberty National Life, American Life and Southern Life & Health.

Dr. Dyer said the insurance business is a protector of free American enterprise and any man who is made dependent on government coverage is robbed of his freedom. Economic independence, he observed, is the source of all freedom. His opinions were echoed by Frank P. Samford, president Liberty National Life, who presided, when he observed that "if a citizen should lose the right for voluntary insurance and be placed under a mandatory system I think that he would be one step nearer to losing free enterprise."

The insurance business, Dr. Dyer said, has been the greatest educational and

## Examinations Committee Meeting Scheduled

Commissioner Read of Oklahoma, chairman examinations committee of the National Association of Insurance Commissioners, announces that he has set the time for a meeting of that committee at the Commodore Hotel, 2:30 p. m., Nov. 29.

character building institution in the country. The insurance business also has a great spiritual force. It is an appeal to man to give up the material things he enjoys in the present in the interest of the future welfare of those dependent on him, he observed.

### Provides Opportunity

The purpose of American insurance is not to give men freedom from want and fear, Dr. Dyer said, but to provide an opportunity for people to protect themselves against the hazards of dependency. The American citizen assumes the responsibility and obligation of taking care of himself and looks to the government only for the protection of his constitutional rights and for the protection of his property rights under the constitution, the speaker averred.

# OPPORTUNITY KNOCKS TWICE!

## FOR TWO MEN WHO MEASURE UP TO THESE STANDARDS:

1. Two men who have behind them (not before them) a record of agency building of which they can be justly proud; a record of attracting and developing quality men who are writing quality business.
2. Two men who find attractive a proposition with a salary base ranging from \$6,000 to \$7,500 which with a bonus arrangement would permit a capable man to report an annual income of around \$10,000.
3. Two men who would like to associate themselves on a permanent basis with a company having well over \$200,000,000 of insurance in force; a company with a record of progress during the past few years that is second to none; a company whose field morale and managerial attitude leaves nothing to be desired.

**FOR TWO MEN WHO MEASURE UP WE HAVE OPENINGS TODAY (RESULTING FROM RETIREMENTS) WHICH REPRESENT RARE OPPORTUNITIES.**

Address (in confidence): Box T-46, The National Underwriter  
175 W. Jackson Blvd., Chicago 4, Ill.

## Leon Henderson Tries to Stir Up Hostility to Bill

NEW YORK—In a strenuous attempt to stir up popular hostility toward the Bailey-Van Nuys bill reaffirming the intent of Congress toward the insurance business, Leon Henderson, former OPA administrator and before that a leading figure in the Temporary National Economic Committee's investigation of the life insurance business, denounced in a radio talk the "lobbying" of the fire companies, and called the proposed legislation "as brazen a piece of special interest legislation as I've seen in many a day."

Henderson worked himself up to such a pitch of indignation that he misread his lines and took the insurance business to task because only 50 cents out of every dollar the public pays for life insurance goes to pay for fire losses.

Though most of his talk on insurance was devoted to stirring up opposition to the Bailey-Van Nuys bill, Henderson made some interesting predictions. One of these was that Senator Kilgore of West Virginia, along with Senator O'Mahoney of Wyoming, would oppose the bill. They are members of the Senate judiciary committee but not of the sub-committee which has been holding hearings on the bill. This is the first intimation that any member of the judiciary committee besides O'Mahoney is against the bill. Kilgore was present at the third hearing last week but said nothing to indicate any opposition.

### Says Voorhis to Fight

The other prediction made by Henderson was that Representative Voorhis of California will lead the House fight against the companion bills to S. 1362 that have been introduced in the House.

The full text of Henderson's talk, which he was making as one of his regular Saturday night broadcasts as a news commentator, is as follows:

"It's high time the public knew something about the lobbying of the fire insurance companies at the capital. These companies have a bill in Congress now to prevent the Department of Justice from convicting them for illegal fixing of fire insurance rates. The bill would legalize private monopoly and is as brazen a piece of special-interest legislation as I've seen in many a day, and I'm supposed to know a little something about monopoly, since for two years I handled the government's TNEC inquiry into monopolistic practices of American business and finance. Senator O'Mahoney was chairman of this investigating committee and I notice he has seen the danger of this new bill. I understand Senator Kilgore of West Virginia expects to oppose the bill, too.

### Asks Public to Help

"Well, the public ought to help Attorney-General Biddle and his assistant, Wendell Berge, in this fight because the Congressmen who are helping the insurance companies are railroading the bill. If the bill ever becomes law, the life insurance companies as well as the fire insurance companies could get together legally and agree on all insurance rates for interstate business.

"The Sherman anti-trust act forbids this at present. The insurance companies have been violating this law for years and know their practices are illegal. Goodness knows, their rates are too high now but I have always felt they were held in some restraint by fear of prosecution.

### No Telling What They'd Try

"If the insurance companies could combine against the public interest instead of competing on rates like other businesses, as Attorney-General Biddle is trying to make them do, then there's no telling what they would try. As it is today, only 50 cents out of every dollar you pay for life (sic) insurance goes to pay for fire losses. The other

50 cents goes for expenses and profit. The fire insurance companies have earned 54% a year on their capital stock for the last five years.

"Except in war, we have always relied in this country on competition to keep prices and rates low. Many business men looking to vigorous free enterprise to give employment in the post-war years, are campaigning against cartels and monopolistic practices. Men like Eric Johnston, president of the United States Chamber of Commerce, Paul Hoffman, president of Studebaker, and head of the Committee for Economic Development, and Bill Benton of

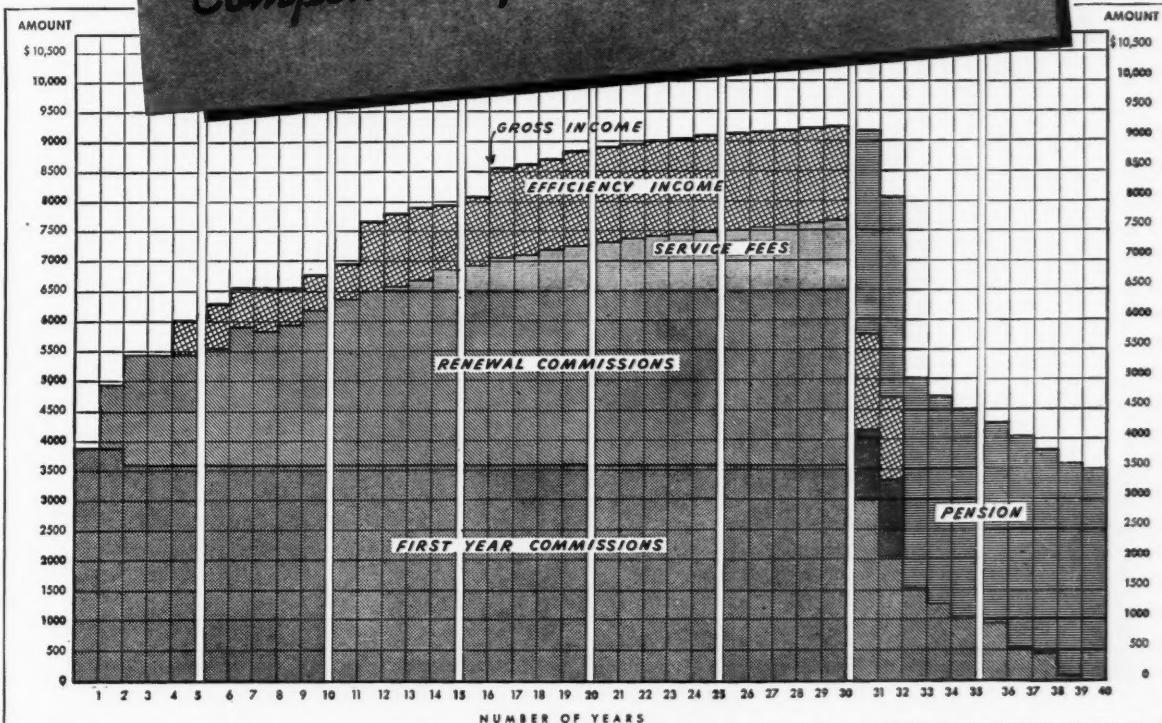
the same organization ought to help the Attorney-General.

"The insurance companies want legislation to legalize their monopoly. No business has such immunity to get together and overcharge the public. If Congress gives special favors to the fire and life insurance companies, every other business will be in a position to demand the right also to form legal cartels and legal monopolies. Whatever protection we now enjoy by the anti-trust acts and efforts of such men as Biddle, Berge, and Thurman Arnold before them, would disappear.

"I believe there is danger. Veteran ob-

servers who have watched lobbies operate for years tell me the insurance lobby is one of the strongest and slickest they have ever seen. The insurance companies do not appear in public very often. They let the state governors carry the ball on a fake play of states' rights and no one knows how many Congressmen are personally interested in the insurance business. The Senate committee heard only a few witnesses. In fact, Senator O'Mahoney barely got under the wire with his protest, and he will have to make his fight on the Senate floor. Congressman Jerry Voorhis of

## The MUTUAL LIFE Takes the Lead with its NEW LIFETIME PLAN for Compensating Field Underwriters



Observe how income of a typical, active Mutual Life Field Underwriter rises steadily—aided by Service Fees and Efficiency Income—until his retirement pension starts. (Chart assumes \$250,000 annual production to retirement age 65—no production thereafter.)

## THE NEW PLAN FAVORS CAREER UNDERWRITERS!

Without added cost to policyholders, this Mutual Lifetime Plan provides increased compensation to the efficient Field Underwriter who remains with the Company.

The Plan features two new sources of income: Service Fees and Efficiency Income. A two per cent Service Fee is paid annually on premiums after the 10th policy year so long as the underwriter remains with the Company, continues to produce and renders satisfactory service to old policyholders.

Efficiency Income, which is based on quality performance, starts in the 5th contract year. The above chart shows that with \$250,000 new business each year, and with reasonable assumptions on persistency and mortality, the good underwriter producing quality business can build his

Efficiency Income up to \$135 a month—in addition to Commissions and Service Fees.

The retirement income, now a part of this Lifetime Plan, starts between ages 60 and 70.

To seek a satisfactory volume of quality business, at a reasonable cost, from a corps of well paid, full time career underwriters is the announced policy of The Mutual Life. The announcement of this notable step toward this goal in the Company's 100th Anniversary Year is a source of great satisfaction.

OUR 100TH  
ANNIVERSARY  
YEAR



California will lead the battle in the House.

"But there is danger in the bill for the insurance companies, too. The resistance which is mounting will focus the spotlight on their political practices. You may recall the scandal about Boss Pendergast, the politician of Kansas City, and the bribery of the superintendent of insurance in Missouri. Well, 142 insurance companies contributed to that bribe. I know for a certainty that many members of Congress are now prepared to demand a full congressional investigation of the insurance companies if this new bill comes up. So keep your eye on the insurance fight."

Henderson is now chairman of the board of editors of the Research Institute of America.

### McKittrick's Demand for Scheufler's Ouster Ignored by Missouri Governor

JEFFERSON CITY, MO.—Governor Donnell of Missouri has indicated that he will ignore the announcement by Attorney General McKittrick in Washington last week that he would request the governor to remove Superintendent Scheufler from office.

McKittrick interpreted the letter that Mr. Scheufler wrote to Senator Van Nuys on the bills to exempt insurance from the federal anti-trust laws as an outright endorsement of the Bailey-Van Nuys bills.

Mr. Scheufler issued the following statement: "I did not specifically endorse the bill. My position in that letter was in support of state supervision of the insurance business as against federalization as a basic philosophy of government. I didn't go into the anti-trust discussion."

McKittrick also charged that Mr. Scheufler is not compelling the fire insurance companies to comply with the fire insurance rates fixed in 1922. He ignored a reduction in rates and a broadening of coverages that Mr. Scheufler has effected. McKittrick also accused Scheufler of delay in refunding impounded premiums to policyholders in connection with the rate litigation.

Mr. Scheufler's answer is that virtually all of these funds had been returned to the policyholders and that the remaining balance is to be escheated to the state.

### McKittrick Candidate for Senate

McKittrick is a candidate for the Democratic nomination for U. S. senator but it is generally believed that McKittrick's trip to Washington didn't help his political future. First, the wind was taken out of his sails when his potential opponent, Senator Clark, declared he would introduce a resolution for a senatorial investigation of fire insurance.

By this move Senator Clark seems to have removed the fire insurance rate case from the Democratic senatorial race. Secondly, McKittrick's visits to various Washington officials in search of political support met with a cold reception.

### Successor to Beck in Navy Post Not Yet Named

WASHINGTON—No announcement has been made concerning a successor to Lester F. Beck as chief of the Navy insurance division. Mr. Beck has resigned to become vice-president of Pennsylvania Casualty.

However, friends of Lieut. S. F. Procopio, who has been serving in the Navy insurance division for some time, hope and expect that he will be promoted to head it. Procopio was formerly assistant superintendent of underwriting for Employers Liability in New York.

Lieut. Ralph E. Phelps has been named assistant chief, Navy insurance division and placed in charge of work on uninsured property losses. Lieut. W. C. Moore, who formerly handled that work, has left for duty in the Pacific war zone.

### Illinois Bankers Decree Delayed Until Later in Week

Attorneys for the various interests involved in the Illinois Bankers Life litigation are to hold a meeting Friday in the chambers of Circuit Judge Miner in Chicago in an attempt to agree on a form of decree to be entered in the case. When the matter came up Monday morning it was revealed that Attorney Vernon R. Loucks, who brought a class suit on behalf of the policyholders of the old Illinois Bankers Life Association, the assessment company, against the estate of Hugh T. Martin, W. H. Woods and A. T. Sawyer, and Attorney E. R. Johnston for Illinois Bankers Life have not been able to come to an agreement as to the form of decree.

#### Attorneys in Disagreement

Mr. Johnston wants a judgment of \$430,000 plus interest bringing the total amount to \$700,000, against the estate of Hugh T. Martin whereas Mr. Loucks asks that all of the stock of Illinois

Bankers be placed in a constructive trust for the benefit of the policyholders of the old assessment association. The Martin estate owns 80% of the stock and the Sawyer estate the balance. Mr. Johnston makes no claim against the Sawyer estate. Both Mr. Johnston and Mr. Loucks want judgment of \$160,000 against the Woods estate. That estate owns none of the stock.

Mr. Loucks had indicated that if all of the stock were deposited with the court he would agree that two-thirds of it be assigned to the policyholders and one-third to the stockholders. Although the Martin estate had indicated a willingness to settle on that basis it is understood that the Sawyer estate declined to do so. It seems certain that there will be an appeal from whatever decree is entered.

#### Chicago Claim Group Meets

The Chicago Claim Association at a dinner meeting Tuesday heard William A. Cannon, Chicago attorney, discuss "What Constitutes Evidence Upon an Investigation," and James F. Breen, Metropolitan Life, Chicago, "Substitution and Speculation in Claims."

### New Official Is Well Known as Public Speaker

Last week Frank O. Donaldson, Penn Mutual Life's newly appointed assistant to the agency vice-president, was the speaker at two meetings, at Grand Rapids and at the Seth W. Ryan agency at Detroit.

Although he thus made his first appearance before field audiences of his company, he has been a member of the home office staff some 30 years. He is not a novice on the platform. In the Philadelphia area he is well known as a public speaker, particularly in civic affairs. Several years ago he organized and instructed a class in public speaking, among young men of the Penn Mutual home office. He has also had a class for men not in the life insurance business.

The Arthur E. Kraus agency of Pacific Mutual Life, previously located in Hollywood, has moved to 650 South Grand avenue, Los Angeles.



### Too much, too soon

This—and its other extreme, too little, too late—appear occasionally in the purchase of life insurance. Perhaps both have happened to you. Perhaps you have merely witnessed their unhappy effect on others.

You'll agree there should be a way to avoid the wastefulness of overbuying and the catastrophe of underbuying. The question is how.

The answer, we believe, lies in the attitude of the insurance agent. Is his point of view solely in your interest? Does he see his job as insurance guidance rather than merely selling?

At NWNL, we have taken a big step toward creating this point of view by devising a unique plan of agent compensation. Your NWNL agent is paid, not primarily for new insurance he sells you, but for the insurance you keep in force. If you lapse a policy, he is penalized

where it hurts the most—in his own earnings. The penalty applies not merely to the policy you lapsed, but to every dollar's worth of insurance from which he is receiving an income.

Thus, between the twin dangers of too much protection and too little, he must chart a prudent course whose goal is exactly the right amount of the right kind of insurance for you, measured by your needs and your income.

His job does not end with the sale. Self interest compels him to help you keep your insurance intact by adjusting

your policies, when necessary, to fit your changed circumstances.

By discouraging the conditions that lead to lapses, this method of agent compensation permits life insurance to perform its function of protection to the full. By reducing the losses due to lapses, it tends to hold down the cost of insurance to the policyholder.

Is the principle sound? The steadily growing body of satisfied policyholders, the new respect won by agents in their communities, the healthy growth of the company all answer an emphatic yes.

**NORTHWESTERN National LIFE INSURANCE COMPANY**

O. J. Arnold, President



Minneapolis 4, Minn.

[This is a reproduction of NWNL's current national magazine advertisement.]

November 12, 1943

## LIFE INSURANCE EDITION

7

## Cites Political Danger of S. S. Men Dotting the Country

Even without considering the cost, the disability provisions of the Wagner-Dingell social security bill now pending before Congress are highly dangerous, according to M. Albert Linton, president of Provident Mutual Life, who spoke before the Ohio Chamber of Commerce on its golden anniversary, Nov. 11.

"Under the proposals of the pending bill, all citizens covered by the government's unemployment insurance protection would be entitled to temporary disability coverage as well," Mr. Linton said. "According to current estimates, the provisions would affect upwards of 100 million citizens. Benefits in case of disability could run up to maximum of \$30 a week for a married man with dependents. The benefits would be payable after one week's waiting period to persons out of work through illness or injury."

"Although these provisions certainly are appealing and sound relatively simple in their application, the facts of the matter are that there are headaches aplenty in the field of disability insurance, as all life insurance men know," Mr. Linton continued.

"While the cost under a governmental bureaucracy would be exceedingly heavy, an even greater danger exists in the haziness surrounding a working definition of real disability. With lax administration, the decision of federal office holders as to who was or was not disabled could cost a tremendous amount of money. There is no doubt that in the hands of power seeking bureaucrats, governmental disability protection could become a powerful weapon in influencing elections."

"Americans who believe that our democratic way of life has been built up through a century and a half of adherence to the principles of private initiative will do well to proceed cautiously before setting up a super-organization which would dot the countryside with thousands of federal offices from one coast to the other, and put into the hands of Washington, discretionary powers over the future of the individual citizen to an extent never before contemplated in our history. Such a bureaucracy would be a long step toward a totalitarian government."

"If it is felt necessary to set up a system to provide disability benefits it should be on a state basis. Rhode Island has already made a beginning."

### U. S. Supreme Court Decision

In the case of James Lanier Bell vs. Preferred Life of Montgomery, Ala., the U. S. Supreme Court, in an opinion by Justice Black, reversed the decision of the federal court for middle Alabama and the circuit court of appeals dismissing the petitioner's claim for \$200,000 actual and punitive damages based on alleged fraudulent representations of the company's agent in connection with purchase of an insurance certificate.

The question was whether in view of payment of only \$202.35 on the certificate, which had a maximum potential value of only \$1,000, the matter in controversy substantially exceeded \$3,000 as required by the judicial code, with relation to certain Supreme Court appeals.

Justice Black said that considering the general principles of the Alabama law, the Supreme Court was unable to say that under the complaint "evidence could not be introduced at a trial justifying a jury verdict" for damages exceeding \$3,000. Nor could the controversy be decided, Black continued, on the assumption "that a verdict, if rendered for that amount, would be excessive and set aside for that reason—a statement which would not, at any rate, be judicially made before such a verdict was in fact rendered."

The case was, therefore, remanded

to the district court for further proceedings.

The Supreme Court granted a writ of certiorari under which it will review the case of Crites, Inc., vs. Prudential. This involves a controversy over sale under foreclosure of farm lands in Madison county, Ohio, under suit brought by Prudential. Indebtedness involved on 11 mortgages aggregated \$223,742.

The Supreme Court refused to review two other cases involving insurance interests, thus finally disposing of these cases, as follows:

## Allyn Heads Drive to Salvage Waste

Commissioner W. Ellery Allyn of Connecticut is taking the lead in the National Convention of Insurance Commissioners starting a campaign for salvage of waste paper. The pulp shortage has made it imperative that the better grades

Prudential vs. Crites, Inc., and Lester Ettman vs. Federal Life.

of card stock, ledger paper, etc., be searched out and sent back to the converting mills as quickly as possible. The insurance companies have always shown a willingness, he said, to help whenever they could and he makes an appeal to all insurance offices to assist in the paper salvage. Any questions, he continues, on waste paper salvage will be answered by J. L. Crowley, Robertson Paper Box Company, Montville, Conn.

**The Unique Manual-Digest** shows "what you want to know" about all life companies, contracts, rates, costs, values, options, etc. "All-in-one." Only \$5.

## The Home of HUMAN SECURITY

*Design  
for  
Living*



"What would you think of an architect who designed a beautiful home but thought only of materials suited to withstand the strains and stresses of normal living? . . . Someday—you'd rightly figure—a storm would topple over that structure."

"Insurance plans should be developed with like provision for abnormal strains and stresses—for those emergency storms sure to strike: Accidents, Sickness, Hospital Trips."

That's Why the Provident has devised a plan of

### COMPLETE PROTECTION

#### Life Insurance

plus

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**LIFE AND ACCIDENT**  
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Chattanooga, Tennessee

Our  
56th  
Year

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## Dr. Dublin Decries Undue Optimism Over War Deaths

America's relatively low rate of death losses in action in the war must not lead to undue optimism, Dr. L. I. Dublin, third vice-president and statistician of Metropolitan Life warned. Our fighting forces scarcely have come to grips with the enemy, either in Europe or Asia. In the former world war, three-fourths of American battle deaths occurred in the last six weeks of war. It is generally conceded Germany and Japan will not collapse but must be beaten in battle.

Deaths in the present war are approaching the figures of the former world war. According to Dr. Dublin the war has run about as long as the other one. The actual toll of the war of 1914-18 will never be known but 7,500,000 deaths in battle is a fair estimate. This excludes deaths from disease during war and the period of demobilization as well as those killed in hostilities and civil wars following the armistice. Statistics of military death losses resulting from battle action in the present war are unavailable for the most part,

Dr. Dublin says. Estimates made from conflicting claims and admissions by belligerents indicate a reasonable estimate is five to six million.

German losses appear already to exceed the more than 1,500,000 Germans killed in action in the first world war. Her present losses may reach 2,500,000, for since September, 1939, it appears likely more than 2,000,000 Germans have been killed. Germany has issued no official figures on her own losses for over seven months. A recent English estimate is 4,000,000 and Russia claims much more.

The estimate of Russian battle deaths is at least equal to the German loss.

American losses so far have been relatively low due to the vastly different nature of our military operations in this war as compared with the last one. In 1917-18, 52,000 American soldiers and sailors were killed in action in 19 months, but in the 23 months of our participation in the present war known deaths in action are about half that figure and even with suitable allowance for probable deaths among the 35,000 classified as missing, the total will not exceed three-fourths of the 1917-18 figure, he said.

### Union Central Holds Two Day Recruiting Session

CINCINNATI—A "Recruiters Rendezvous" was held two days at the home office of Union Central Life. It consisted of a series of meetings devoted entirely to recruiting and was attended by W. E. Barton, president of the Knight Agency of New York; Managers T. L. Fowler, Boston; J. W. Smithers, Jr., New Orleans; Floyd Rosenfelt, Omaha; C. M. Hassell, Charlotte, N. C. and T. N. Beach, general agent at Birmingham. These men, with E. D. Verink of Lincoln, Neb., were the winning managers in the "life manpower mobilization campaign" conducted by the company in July, August and September. Vice-president Wendell Hanselman was in charge of all the sessions. Awards were presented to the managers by Mr. Hanselman based upon the number of lives written by new agents.

Three awards were won by the Knight agency, two by Mr. Verink, who was unable to attend, and two by Mr. Hassell. Carl M. Haas, manager of the Brooklyn office of the Knight Agency accompanied Mr. Barton.

### Gives Underwriting Tips on Business Insurance

NEW YORK—The agent and supervisor can do much to assist a company in its underwriting if they furnish all the pertinent information they can about the applicant's need for the coverage and his present insurance situation, Pearce Shepherd, second vice-president and associate actuary of Prudential, said in his discussion of current underwriting problems at a meeting of the New York Life Supervisors Association. Mr. Shepherd expressed confidence in the soundness of the underwriting principles followed in the past 10 years and stated they were adequate to meet any tests that may be experienced.

Mr. Shepherd said it was important for the underwriter to know what the exact situation was. In a business insurance case, for example, if the firm had been soundly managed and a real need existed, there was no reason why the business should not be accepted for the full amount desired even though it had expanded its operations considerably as a result of war production.

Mr. Shepherd said the chairman of a firm presented a difficult underwriting problem in that often he was a key man remaining in the management who had passed his greatest usefulness. When a firm wished to insure its president, it was suggested that policies be purchased also for a few of the other top men.

Murray April, Continental American, president, announced that the annual meeting would be held Dec. 9 at the Drug & Chemical Club.



★ EDWIN E. BESSER,  
JR., CHICAGO G. A. FOR  
THE LINCOLN NATIONAL  
LIFE IS A BUSY MAN, SO  
BUSY THAT A NUMBER OF  
YEARS AGO HE DISCON-  
TINUED HIS R & R "MAN-  
AGEMENT PLANS." "IT BE-  
CAME A MATTER OF KEEP-  
ING UP WITH ALL THE  
SERVICES OR OF RUNNING  
MY AGENCY AND I DE-  
CIDED TO RUN MY  
AGENCY."

\*\*\*  
RECENTLY MR. BESSER  
ordered a reinstatement, willing  
to give today's new "Manage-  
ment Plans" a trial.

\*\*\*  
HE WRITES: "Last week I  
received the October 'Manage-  
ment Plans'. Truly it is a new  
service. Congratulations upon  
the wealth of sound manage-  
ment material. The one bro-  
chure, '365 Teachers Report' en-  
abled me to close a teacher I  
have been trying to sell the  
business for sometime. This one  
use will pay my R & R fee for  
many years to come."

\*\*\*  
"IF I EVER HAVE any in-  
clination to discontinue my  
R & R membership, kindly refer  
me to this letter. Your work  
in the field of management to-  
day is indeed outstanding."

\*\*\*  
IF, LIKE MR. BESSER, you  
were once a member of the  
R & R family, we'd be mighty  
happy to welcome you back.

PAUL SPEICHER  
Managing Editor  
THE INSURANCE  
RESEARCH & REVIEW SERVICE  
INDIANAPOLIS

## Distinguished Services Rendered . . .

Since the beginning of World War II, American Life Insurance companies have bought more than five and a third billion dollars of War Bonds.

Some 15 to 20 percent of the field men of American life insurance companies are serving in the armed forces.

Those left behind, though gladly co-operating in the rationing of gas, tires and automobiles, are still giving a high character of service to policy-holders, to the public, and particularly to men going into the service and who desire to have help in arranging their life insurance plans on a suitable basis.

Every single life insurance transaction is a solid blow against inflation.

# The NATIONAL LIFE AND ACCIDENT Insurance Company, Inc.



November 12, 1943

## LIFE INSURANCE EDITION

9

## New Secretary of A.L.C. Financial Section

David W. Gordon, investment secretary of Monarch Life, Springfield, Mass., who was elected secretary of the Financial Section of the American Life Convention, was born in Hazardville, Conn., in 1894. He was active in high school affairs in Springfield, Mass., and graduated at Wesleyan University in 1912. He was a member of its football team for three years, and was on the track squad. Governor R. E. Baldwin of Connecticut was a member of his class.



D. W. Gordon

On graduating from Wesleyan he entered the wool business and after army service in the former war as a pilot, he rejoined S. W. Bridges & Co., Boston wool firm, and went to the Argentine on wool business in 1925. He found that fundamental conditions were rapidly changing for wool dealers and shortly afterwards left that line, joining the Old Colony Corporation, which finally emerged as the First Boston Corporation.

He went with Monarch Life in 1931 and has given his personal interest to the investment department. He is a member of the executive committee of the Monarch Life and is vice-chairman of the budget committee of Wesleyan University Alumni Council. His son, William Clark, is now a student at Wesleyan.

## Keen Awareness of Events Demanded of Agents

Keen consciousness of events and opportunities is demanded of life agents today, Theo. H. Spindle of San Antonio, director of education Amicable Life, told the Tyler and East Texas Association of Life Underwriters at a meeting. He said agents often are so close to their problems and so busy that they fail to see their errors.

Mr. Spindle said as an agent he had difficulty in seeing his own errors, but in his present capacity working with men in various fields, and in his efforts to aid them, he is in much the position of the football player who has been benched and can observe the mistakes of his teammates. There are "mental frontiers," which if they can be passed by the agent becoming keenly aware of the service which he is rendering to his clients and his country may permit him to reach great heights of achievement. He noted that policyholders of his company who ask for cash values have decreased 61% from 1942, while 85% of the App-a-Week Club members show an increased production over the same period last year.

He said many Amicable Life agents' production showed a definite production slump when the war clause was inserted in all policies sold after Jan. 1, 1942, but in March, 1942, the company introduced its double protection policy which gave the agents something new to think about. Despite the war clause, the new 3% reserve basis, gasoline rationing and other difficulties, the field force began to produce increased volume, simply because of creation of a new outlook, he said.

## Conducts Cashiers' School

A fourth cashiers' school, and to date the largest, is being held by Mutual Benefit at the home office Nov. 9-12. The school is being conducted as a series of group conferences with officials as lecturers. The committee directing the school is A. J. Kirkland, assistant secretary in charge of supplemental

agreement work; Floyd Zukswert, comptroller; H. A. Smith, agency department, and Mildred F. Stone, agency field secretary. The group was guest of the company's Woman's Club at tea Tuesday, was entertained at luncheon in New York Thursday and in the evening attended the Fred Waring broadcast.

## Penn Mutual Veterans Dine

Members of the home office staff of Penn Mutual Life who have worked for that company 25 years or more attended the annual dinner of its Quarter Century Club. There were 120 present out of the full membership of 162,

which represents 12% of the home office staff. Nine of them have been with the company over 50 years, 41 more than 40 years, 61 more than 30 years. The continuity of service of the club totals 5,729 years.

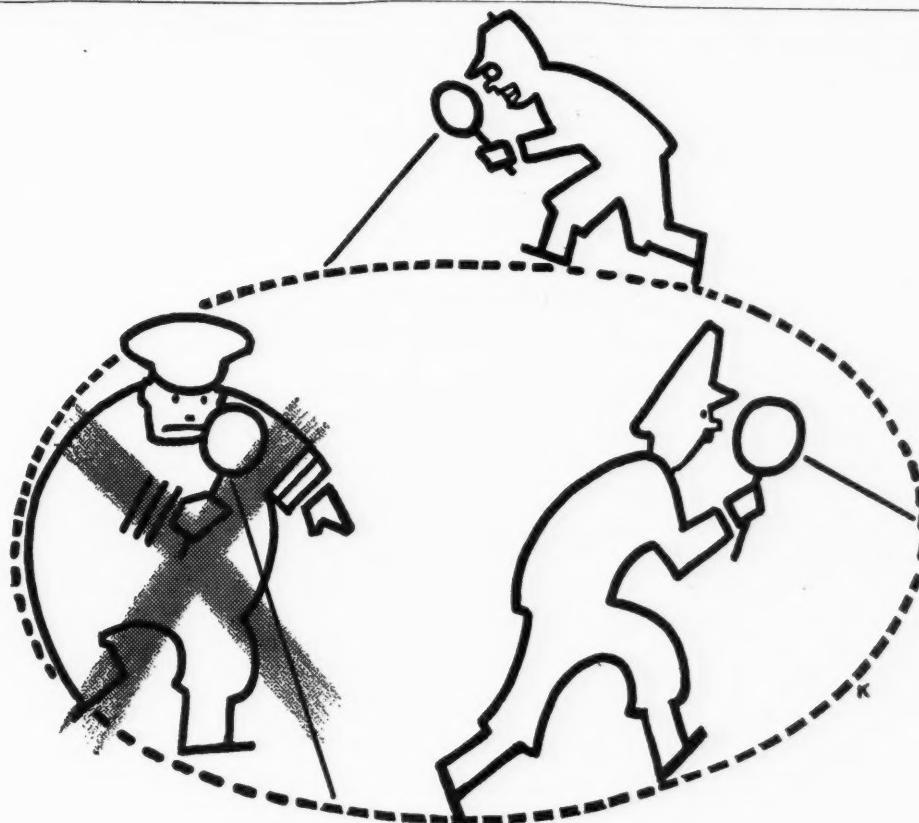
President John A. Stevenson spoke at the dinner, which was followed by a lecture by Dr. Michael M. Dorizas.

## Postpone Ill. Department Case

The hearing before Circuit Judge La Buy on motions by Graeme Smith, Chicago agent, and the Illinois insurance department, which was scheduled for Nov.

9, has been continued to Nov. 23. One of the motions, that of the Illinois department to modify Mr. Smith's injunction against the department so that the latter could proceed with its licensing procedure, was approved Oct. 29. This leaves two motions to be heard Nov. 23, Mr. Smith's motion to make the department's motion more definite, specific and certain, and the department's motion to strike Mr. Smith's complaint and dismiss the suit.

**The Unique Manual-Digest's showings of incomes payable cover practically all life insurance in force today. \$5.00 from National Underwriter.**



# PROSPECTS - - -



Prospecting is not a big problem for Bankers National Field Men. They not only have a policy to fit almost every prospect but a prospect letter service that really works. But best of all, is the prospecting help which their company's executives give them in the field.



There are no more prospects for you, Messrs. Hitler and Tojo. No more little Nations to destroy—granaries to rob—art to loot or money and materials to steal. The weak are growing stronger as you start to scrape the bottoms of your man-power, food and material piles. Even "your people" will turn on you and destroy you just as certain as they did your ex-pal, Benito.

You'll find the Bankers National men helping to destroy your prospects in a big way. You'll find them walking; riding bicycles and busses instead of enjoying the conveniences of their automobiles. You'll find them active in all war organizations and cheerfully giving up those comforts and luxuries which you so glowingly said made them "soft" and would keep them from interfering with your free hand.

# BANKERS NATIONAL LIFE INSURANCE COMPANY

RALPH R. LOUNSBURY, President WILLIAM J. SIEGER, V. P. and Supt. of Agencies

Montclair

★ ★ ★ ★ ★ New Jersey

## Insurance Wage Hearing on 40c an Hour Minimum Set for Nov. 23 in N. Y.

NEW YORK—The wage and hour division of the Labor Department has scheduled a hearing for Nov. 23 at 10 A.M. in room 1001, 165 West 46th street, New York on the division's recommendation for a 40 cent minimum hourly rate of pay for the insurance business and certain other industries under the fair labor standards act of 1938. At the hearing Oct. 14 which resulted in the recommendation it was expressly stipulated that the minimum rate would not apply to insurance unless the insurance business should be found to be under the act, which refers to employers "engaged in commerce or in the production of goods for commerce."

The Polish National Alliance case scheduled to be heard by the supreme court in the next month or so, might have a bearing on the applicability of the fair labor standards act to insurance but the polish case is concerned with the Wagner act only, and not the labor standards act. As a practical matter the minimum rate would have little effect on insurance even if applicable, since the hourly rate paid by nearly all companies is more than 40 cents.

## Southern Cal. Caravan Opens Season at Glendale

The southern California caravan of the Life Underwriters Association of Los Angeles made its first trip of the year to Glendale. O'Brien Sawyers, Aetna Life, chairman of the caravan committee, was in charge.

John F. Curtis, Massachusetts Mutual Life, spoke on "Motivation That Works for Me" and R. H. Summers, New York Life, on "Are You a Timekeeper?" He advocated keeping in mind at all times the value of the agent's time, so that it may be spent in bringing about a better class of selective prospects and an increased number of sales. He said too many agents are lost in a solitaire game of playing with prospect cards, and urged systematizing records.

Edward Choate, New England Mutual Life, presented a condensed version of the talk he gave at the Million Dollar Round Table in Pittsburgh.

## N. Y. Assembly Insurance Committee Head to Retire

NEW YORK—Chairman Russell Wright of the assembly insurance committee has announced that he will retire from the New York assembly at the expiration of his term, Dec. 31, 1944. He has served on the insurance committee since 1935 and was appointed to the joint legislative committee to study compulsory automobile insurance in 1937.

He succeeded Foster Pipe as chairman of the assembly insurance committee in 1939. He was named chairman of the joint legislative committee on the revision of insurance law two years ago. Mr. Wright will devote his time to his law business in Watertown.

## Worthington Speaks at Memphis

William P. Worthington, vice-president and superintendent of agencies of Home Life of New York in an address before the Memphis Life Underwriters Association said the common denominator of success consists of conviction, sincerity and enthusiasm. The life business is based almost entirely on

professional confidence, he declared. Seldom does a man fail in life insurance who is deeply convinced of what it does to meet the problems of people. Mr. Worthington also addressed the General Agents & Managers Association at a breakfast on "Trends in Agents' Compensation."

## New 1944 Income Tax Deduction Record

Samples of THE NATIONAL UNDERWRITER'S new 1944 income tax deduction record are now ready. The 1943 edition proved exceptionally popular and was included in the exhibit of the Joint Committee on Field Cooperation to show how life insurance men are developing prestige by aiding the public. The folder does not go into any details regarding estimating income taxes but provides a record for the taxpayer so that he will have all pertinent data on hand when it comes time to estimate his tax. Samples and prices can be obtained from THE NATIONAL UNDERWRITER, 175 West Jackson boulevard, Chicago 4, Ill.

## Making Distribution on Fidelity Investment Claims

MADISON, WIS.—The Wisconsin Banking Commission is making a partial distribution of the \$2,710,964 now on deposit by the Fidelity Investment Association and its successor, Fidelity Assurance of Wheeling, W. Va. It is being made to Wisconsin contract holders under an order of the Dane county circuit court. Payment of 50% of the cash value will be made to approximately 4,500 certificate holders who have filed claims for a total of \$1,102,000. There are some 1,000 other contract holders who have failed to file their claims. The balance of the money realized by the commission from the sale of securities required to be deposited under the state investment law will be distributed later.

## Life Insurance Mayor

WILKES-BARRE, PA.—C. J. ("Con") McCole, district manager of Mutual Life here, was elected mayor of Wilkes-Barre. He was the only Democrat running on the county ticket and defeated the present incumbent, a Republican running in a Republican stronghold.

Mr. McCole has been with Mutual Life since 1924, when he joined the Scranton agency. He is widely known as a witty speaker and has been called the Will Rogers of the life insurance business. He has been a member of the Mutual's national field club every year since joining the company, qualification for which is paying for at least \$200,000 a year.

## Has \$610,591 in Campaign

The Insurance Exchange branch of Continental Assurance in its six-week fall contest hung up \$610,591 production in 176 applications. The branch offers a turkey to every broker writing \$15,000 in the period Nov. 1-22. George Robson is vice-president in charge of life production and Frank A. Miles is associate manager. In the fall contest four brokers each sold \$35,000 or greater, two \$30,000, three \$25,000, one \$15,000, five \$10,000. One sold 12 cases, one 11, one 10. Paid for ordinary business has increased in production every month this year from 25% to 35%.

## Hoosier Group Convention

The annual convention for the agents of Hoosier Farm Bureau Life and Farm Bureau Mutual will be held at Indianapolis Nov. 16. Featured will be recognition of the Century Club member as well as talks by outstanding agents. Paul Speicher of the Insurance Research & Review Service, will be the principal speaker at the banquet.

## Renewal Commission LOANS

LIFE UNDERWRITERS CREDIT CORPORATION  
Minneapolis, Minn.

# Post-war Investment Outlets Are Being Studied

Realizing that the problem of finding adequate investment outlets has been only temporarily solved by the duty of investing heavily in government bonds to support the war, life company executives are giving serious thought to the question of where to invest money after the war. They are exploring the entire field with open minds. Even common stocks, which many company officials and insurance commissioners have long dismissed as fundamentally unsuitable for life company investments are being scrutinized in objective fashion although it cannot be said that any real sentiment in favor of such investments has yet been built up.

An important part of the Temporary National Economic Committee's deliberations was devoted to exploring the possibilities of common stock investments for life company, and the Securities & Exchange Commission, which presented the material to the TNEC was critical of the companies for their attitude in steering clear of equity financing. More recently the Commit-

tee for Economic Development, headed by Paul G. Hoffman of Studebaker, has indicated an interest in the possibility of life companies providing some of the equity financing that will be needed for American industry and business after the war.

## Narrow and Broad Views

From what might be called a purely selfish point of view a life company's interest in common stocks would have solely to do with the problem of finding investment outlets of sufficient safety and providing a reasonable return. This view would ignore the place of life company investments in the national economic picture, the fact that an increasingly large volume of the people's savings is going into life companies and the possible effect this may have on the economic future of the country.

The broader view taken by life company officials is that there is not only a problem of finding places to put money safely and profitably but that life com-



If we had any HIGH HATS at Central Life's home office we wouldn't know what to do with them because we are primarily a field man's company. From the President down we have been schooled in the field man's problems and we talk, act and think in terms of the man on the street carrying a rate book.

In selling new business you'll find Central Life's wide variety of policies a decided aid, especially our low cost preferred risk form. Then when you get the application you can depend on clear-the-way service because we know that the only policies that pay commissions are the ones which are delivered.

Operating principally in the middle-west, Central Life is geared to render prompt and sympathetic service to agents in this territory. If you'd like to operate on a one field man to another basis, line-up with Central Life.

★

**CENTRAL LIFE  
INSURANCE COMPANY  
of Illinois**  
**211 W. Wacker Drive, Chicago**

ALFRED MacARTHUR, President

November 12, 1943

## LIFE INSURANCE EDITION

11

**Col. Joseph Button  
Dies at Home in Richmond**

RICHMOND, VA.—In failing health for several months Col. Joseph Button died at his home here Wednesday. He was for 23 years Virginia insurance commissioner and later manager of Stock Company Association at Washington. He retired several years ago.

Col. Button was born at Lynchburg, Va., in 1865. He was elected Virginia commissioner in 1906 and served until 1929 when he became president of Union Life of Richmond. In 1935 he went with the Stock Company Association and retired a few years ago. He served as president of the commissioners association in 1910-11 and served as secretary from then until 1929.



JOSEPH BUTTON

panies must be mindful of their obligations in the general economy. Of course, the argument of those outside the business is concerned mainly with the latter factor. Those who feel that life companies should buy largely of common stocks point out that the increased amount of money held by life companies goes into mortgages and bond issues, that is, into what is called debt financing as opposed to equity financing, as represented by the purchase of common and preferred stocks. These students say that there is a great over-supply, under non-wartime conditions, of capital for debt financing and an insufficiency for equity financing, that is, venture capital of the type needed to promote new enterprises.

The trouble is that there is not sufficient equity capital in proportion to the amount of money available as loans or bond issues. Some economists who have studied the question of common stock investments for life companies feel that a really exhaustive investigation of the entire economic picture would reveal that the trouble is not so much with the restrictions on life companies investing in stocks but in the tax laws which tend to discourage venture capital so that the potential entrepreneur realizes that it is a case of heads he loses, tails the government wins, and he might as well put his money in the safest investment he can find. He feels that there is no sense in his risking his money for if he makes much of a profit on it the government will take it away from him while if he loses, as he very well may, he is just out of luck. He does not even have the incentive of building up a backlog of profits out of which to meet these possible losses and that is an additional discouraging factor.

There is need for both equity financing and debt financing. The argument against debt financing, as through a bond issue, is that it saddles a corporation with a burden of interest payments year in and year out which it must meet through good times and bad and if it fails it must go through reorganization or bankruptcy. But if the debt is not disproportionately large it is a means of obtaining capital relatively cheaply and means a correspondingly higher return for those who take the greater risk and put up the equity capital by buying the stock.

From a purely practical standpoint there is considerable question as to just how much difference it would make if life companies were to go into the equity capital field. The excess of income over outgo which the companies have to invest each year is about \$2.5 billion while the country saves about \$35 billion to \$40 billion a year. It has

never been suggested that life companies should invest more than about 25% of their money in common stocks and this would mean about \$600 million a year. Thus, any conceivable investment by life companies in common stocks could do little to offset the serious shortage of available equity capital as compared with the amount of money that is available for mortgage loans and bond issues, it is argued.

The foregoing statement of the problem is of course predicated on there being an actual dearth of equity capital during the postwar era. Some officials feel that this is a question that should be studied carefully to determine whether the scarcity of capital that has been alleged is real or apparent. If study reveals that there is a real dearth of equity capital some feel that it might be desirable to change the laws to permit life companies to invest to a limited

amount in equity financing. But there is widespread doubt that life companies have any business going into the highly speculative, pioneering type of ventures that will produce the wonderful developments that are looked for in the years after the war's end.

One form of investment outlet which is actually equity financing, though not thought of in the same way as common stocks, is the ownership of large-scale housing developments. These are in a somewhat different class from ordinary equity investments, for the company owns the entire apartment house or development and of course can exercise full control over its management policies. The company can proceed on pretty accurate assumptions as to percentage of occupancy. It can build up a reserve out of which to meet future fluctuations in earnings and also to gradually amortize the investment. Net

**Convention Dates**

Nov. 16-18—Research Bureau and Life Agency Officers, Chicago, Edgewater Beach Hotel.

Nov. 29-Dec. 1, National Association of Insurance Commissioners, mid-year meeting, New York City, Commodore Hotel.

Dec. 1, Institute of Life Insurance, New York City, Waldorf Astoria Hotel.

Dec. 2-3, Association of Life Insurance Presidents, New York City, Waldorf-Astoria.

Jan. 11-12, National Association of Accident & Health Underwriters, winter meeting, Des Moines, Hotel Fort Des Moines.

yields are computable by actuarial methods and in any event the yields are not likely to fluctuate violently because housing is a necessity in good times and bad.

# Payments to policyholders

## *take on an added significance at this time*

**T**O DAY millions of people are working long hours. Many are working unaccustomed hours. Millions are working at unaccustomed tasks. All this adds to the strain and anxiety occasioned by the war itself. It is for these reasons that life insurance and the payments which are the concrete expression of

its value take on an added significance.

In 1942 the John Hancock paid to its policyholders benefits totaling \$99,673,282.43. These payments are assuring to many people a fuller share of the things for which we are fighting than would be possible without life insurance.



**Total insurance in force December 31, 1942, amounted to  
\$5,618,573,069.00, which covers more than 6,800,000 policyholders,  
one out of ten of those insured in this country.**

## EDITORIAL COMMENT

### Pot Shot from the Left

In an article entitled "Fire-Insurance Racket" the "Nation," so-called liberal weekly, Nov. 6 congratulates Attorney-General Francis Biddle on his opposition to the Bailey-Van Nuys bills in Congress. The article is characterized by intemperance and inaccuracy, and in those respects as well as in its point of view, is typical of the utterances by "PM" and some of the radio commentators.

The fire insurance business "is not a business but a racket using illegal and coercive tactics to extort high profits from the public," the "Nation" snaps, adding that Senator Bailey "is betraying the interests of his own constituents to serve this group of racketeers." It refers to complaints from an "Alabama business man" and "a Southern agent" in such a way as to imply there are many more: "Mr. Biddle's statement provided the committee with a glimpse of the

complaints which led the Department of Justice to act."

The "Nation" picks up the fallacious comparison of \$100 billions in premiums and \$400 millions in losses, stating "rates bear no real relation to the risks"; and, although there is probably no business that reports more figures, analytical and explanatory, the "Nation" makes the astounding charge that "statistics are meager and haphazard."

"Behind the fire-insurance companies in this fight at Washington is the rest of the insurance business, all of it tainted, all of it anxious for exemption from federal supervision," the "Nation" adds, sweeping the entire industry into its own garbage can of "opinion."

Such ill considered, distorted attacks hardly represent heavy artillery in the field of public opinion, but they should help the insurance industry understand the job that faces it.

### The Justice Department Tips Its Hand

U. S. Attorney-General Biddle's thinly disguised contempt for state regulatory statutes and powers as respects insurance companies confirms the suspicion that the Justice Department's prosecution of the South-Eastern Underwriters Association for alleged anti-trust law violations is based less on a conviction that insurance is really commerce and, therefore, subject to the anti-trust laws than on a holy zeal to bring the insurance business into the charmed circle of federal bureaucracy on some excuse or other.

Until the recent hearings before the subcommittee of the Senate judiciary committee the Justice Department consistently maintained that in instituting the S.E.U.A. case and laying the groundwork for others it was merely acting as a policeman who, finding a law being violated, proceeds to bring the offender to book. Mr. Biddle, however, with his "hanging prosecutor" attitude, departed abruptly from the Justice Department's previous attitude. He was clearly, if not admittedly, out to prove that the states weren't doing a good enough job of regulating the insurance companies and that hence the federal government should move into the picture via the federal anti-trust laws.

There are two logical approaches for what the Justice Department is trying to do but it would seem that to an open-minded person the department is weakening its case for proving that insurance is commerce, as it is trying to do in the

S.E.U.A. case, by admitting unashamedly to so burning a desire to muscle into a field that has always been reserved to the states.

As was brought out at the first hearing before the judiciary subcommittee, Congress has at times expanded the concept of interstate commerce to include activities far beyond the original scope of the commerce power conferred on it by the constitution, but the S.E.U.A. prosecution was the first time the Justice Department had gone out on its own hook to broaden the definition of commerce as defined by the courts and as indicated by Congress.

Either insurance is commerce or it is not. The Justice Department's effort to have it declared commerce is not strengthened by the fact that it would like to have insurance held to be commerce so that the federal government could have a chance to show how much better job of regulating it could do than the states are capable of doing. It is as if the federal bureau of investigation were to start arresting speeding motorists out in Podunk because the F.B.I. men thought they could do a better job than the local constable. Maybe they could do a better job and maybe they couldn't. But the fact they were getting into something clearly outside their province would make the move suspect.

The same observation can appropriately be applied to what the Department of Justice is trying to do in the way of invading the field of insurance regulation.

### Slogan for Modern Times

The spirited and forceful president of the Globe Indemnity, Kenneth Spencer, originated a slogan or coined a phrase in his talk at the National Association of Insurance Agents convention at Pittsburgh that might well be taken to heart by the business in all its branches. He said, "Give more to more and ask less." He said that other great busi-

nesses have followed that line and therefore insurance should not be behind the times. His answer to the question whether more can be done was in the affirmative. Mr. Spencer's address was full of meat and was one of the greatest contributions to insurance literature that has been made during this convention year.

### PERSONAL SIDE OF THE BUSINESS

**Louis H. Pink**, former New York insurance superintendent, has been named director of the New York defense rental area. He has been granted a leave of absence by the board of directors of Associated Hospital Service of which he is president and will serve with the O. P. A. until the rent-control program is functioning smoothly. He has been a member of the state housing board and the municipal housing authority of New York City and at present he is chairman of the National Public Housing Conference.

Commissioner **Frank N. Julian** of Alabama, who has been very ill, is now rapidly improving and he is said to be now well on the way to recovery. "Uncle Frank" is one of the veteran insurance commissioners of the country, greatly beloved, whose southern stories are always gems and characteristic of the south.

Mr. Julian has had a rough time of it. His malady is angina pectoris. While he is considerably improved now he was in a very serious condition some days ago. He will not be able to get back to his office for some time and that means likely that he will not be able to attend the meeting of the National Convention of Insurance Commissioners the latter part of this month in New York City.

**Wilbur E. Benoy**, Columbus, O., insurance attorney, has been appointed for the third consecutive year as chairman of the committee on practice and procedure of both the insurance section of the American Bar Association and the International Association of Insurance Counsel. The main work of both committees has been a study of amendments necessary or advisable to the federal rules of civil procedure. Those amendments now are being considered by the special advisory committee of the U. S. Supreme Court.

**W. S. Rodgers**, assistant manager of Prudential ordinary department, has been elected president of the Tampa Kiwanis Club, in which he has been active for several years.

**Charles O. Winter**, who is believed to be the oldest active insurance company employee in the country, observed his 70th anniversary with Aetna Life Nov. 3. Mr. Winter has several times in the past expressed a desire to "remain in harness" and renewed his request only last Friday at a directors luncheon to which he was invited in observance of his anniversary. He joined Aetna Life Nov.

3, 1873, as a "temporary employee" to work on mortality calculations. His "temporary" job soon became a permanent one, and he has been a member of the actuarial department ever since.

**A. J. Johannsen**, Brooklyn, general agent of Northwestern Mutual Life, excited the envy of football fans among insurance men because he was serving as a linesman at the Army-Notre Dame football game in New York, Saturday. Mr. Johannsen officiated at a number of the important games this season.

**D. W. Darden**, president of Universal Life of Richmond, underwent an operation recently at a hospital there for removal of a brain tumor. His condition this week was reported as grave and the doctors were fearful that he would not recover.

**A. W. Perkins**, Maine insurance commissioner, it is reported, may soon enter military service. He is a young man, actuarially trained who was at the head office of Pan-American Life at New Orleans until he went into office in Maine.

**Julian S. Myrick**, chairman and life trustee of the American College of Life Underwriters, and vice-president of Mutual Life of New York, will speak on "Catching up with the American Radical" Nov. 15 at a meeting of the Pittsburgh chapter of C.L.U. Agency heads are being invited to attend.

William Poppke has been elected president of the Leaders Club of the Newark agency of **Penn Mutual Life**, with George Conover as vice-president. P. Karl Hebel is honor agent of the month.

### DEATHS

**Julian Walker**, 51, chief counsel for the Tennessee insurance department for more than eight years, died in Memphis after an illness of three months. Among honorary pallbearers were Commissioner McCormack and E. H. Crump, Memphis local agent.

**Arthur C. J. Carlson**, well known Chicago insurance broker, who has been associated with Pacific Mutual Life for a number of years, died Nov. 4. He was associated more recently with the John Watts agency of Pacific Mutual.

**R. L. Sprague**, 47, manager of Union Central Life at Portland, Me., since 1931, who resigned in June on account of ill health, died in Portland.

## THE NATIONAL UNDERWRITER

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## NEWS OF THE COMPANIES

### Western Mutual Starts Operating

Western Mutual Life & Casualty of Belle Fourche, S. D., which recently was granted authority to write life, health and accident business by Insurance Commissioner Burt, has now completed its organization and is becoming active.

Burton Penfold, president of Western Mutual, is an attorney and has been a local agent at Belle Fourche for 14 years. First vice-president is L. A. Pier, president of the Belvidere (S. D.) State Bank, who has been in banking and insurance business in South Dakota for 36 years.

George W. Malcolm, treasurer, has been engaged in banking and insurance in western South Dakota for 31 years. Dr. J. O. Threadgold, a director and medical officer, has been engaged in general practice in Belle Fourche, and is former mayor there.

C. S. Nelson, secretary, has been in insurance 24 years. He was formerly a director of Bankers National Life of Florida, and for many years has been an outstanding personal producer. He developed the West River agency of Policyholders National Life of South Dakota at Belle Fourche in the past four years to one of the company's leading units.

Two vice-presidents, Thomas E. Nelson, formerly with Occidental Life of California on the west coast, and George S. Malcolm, are in the air corps. Mr. Nelson in India and Mr. Malcolm in the European theater. Many of the directors are men who have long been in the banking and insurance business, including O. A. Hodson, president of the Blackpipe State Bank, Martin, S. D.; L. A. Jacobson, cashier of the Bryant (S. D.) Bank, and Warren Joyce, manager of the Wall branch of the Underwood State Bank. D. M. Nelson, a director, has had eight years experience in office management of insurance companies.

Win friends by distributing 1944 Income Tax Reduction Records. Write National Underwriter for sample.

### National L. & A. Will Double Its Capital

The directors of the National Life & Accident of Nashville approved the recommendation of the executive committee for the transfer of \$5,000,000 from surplus to capital, increasing the latter to \$10,000,000. A call was issued for a meeting of stockholders to ratify the action. The company now has over \$1,000,000,000 life insurance in force. Its capital has been \$5,000,000.

Chairman C. A. Craig of the finance committee explained that the action was taken for the protection of policyholders as the fund cannot be used for any other purpose. He stated that there will be no increase in cash dividends by reason of this move. Mr. Craig further commented:

"The board does not feel that an increase in such dividend payments is justified. There is a war on. Interest rates continue to decline. There is much talk of increased taxes, and while it is contemplated the amount of cash paid in dividends will remain the same, the percentage on the increased stock will be reduced so as to produce the same amount of dividends."

### Old Line Life Reports Substantial Increases

MILWAUKEE—With a net gain of \$1,259,574 in life business during the first nine months, Old Line Life of America had \$90,398,575 total insurance in force as of Sept. 30, President J. E. Reilly reported at the quarterly meeting of directors. Gross income for the first nine months was \$3,459,169. Disbursements amounted to \$2,225,369, of which taxes and license fees amounted to \$172,191 and payments to policyholders and beneficiaries \$1,205,048. Admitted assets increased \$1,266,020 to a new high of \$26,901,906. U. S. government bonds purchased since Jan. 1 amounted to \$2,001,024, bringing the total of such holdings to \$6,006,860.

Sales of city and farm real estate during 1943 were the heaviest in the

history, President Reilly reported. Completed sales, and pending sales on which there have been down payments, totaled over \$500,000 in the nine months. Claims in both the life and the accident and health departments were considerably below the comparable 1942 period. Lapses and surrenders continued remarkably low.

### Washington National Adds to Its Capital

The Illinois insurance department has approved the capital increase of the Washington National of Evanston, Ill., which will transfer \$2,000,000 from surplus to capital, making that item now \$4,000,000. The directors voted to increase the capital by issuing 20,000 new shares of \$10 par value in addition to 20,000 shares outstanding also at \$10 par.

### Sterling's Increase Ratified

The Illinois insurance department has approved the increase in capital of Sterling of Chicago to \$700,000 from \$200,000 by a stock dividend of \$500,000.

Sterling intends to make a real drive for ordinary life insurance from now on. This will largely be produced by agents.

### Operates Only in Oklahoma

Republic Life of Oklahoma City is 13 years old and has over \$25,000,000 of insurance in force. It operates only in Oklahoma and it does not have any plans at this time to do business outside of that state. Therefore Republic Life will endeavor to develop a real organiza-

tion in its home territory. Robert Schulman, the new agency vice-president, is given the duty of building the business.

### Pays Dividend of \$5

Columbian National Life has paid a dividend to stockholders of \$5 a share. In May of this year it paid a \$3 dividend.

### St. Louis Mutual Moves

St. Louis Mutual Life has moved its home office to the ground floor of the Rialto building, Fourth and Olive streets, St. Louis, which it recently obtained in a trade for other real estate holdings. For many years it had had its home office at 3640 Washington boulevard.

## SALES MEETS

### Woods Agency Holds Its Annual Sales Meeting

Completing its 63rd year, the Woods Agency of Equitable Society in Pittsburgh arranged its annual veteran legion dinner. Approximately 250 members and guests of organization, cashier, medical and other departments were present.

Agency Manager L. C. Woods, Jr., introduced the guests of honor, Alexander McNeil, secretary of Equitable, and V. S. Welch, vice-president.

At the annual sales meeting of the Woods Agency, F. J. Stevenson, associate agency manager, introduced speakers. In addition to Vice-president Welch,



### The Story of the "Flying" Son

The boy is "the apple of his father's eye." He is turning fifteen. At first, his father thought, "This birthday, I will give him an insurance policy on his own life. This will begin an estate for him. Since he is young, the premium is small. It will always stay small. But the cash value will grow steadily." But then he thought, "Perhaps I should wait. After all, the country is at war. Will the policy protect him if later he goes to war and flies?"

"It will," his life insurance

agent told him. "My company insures your son's life as liberally now as before the war. His policy will be good if he fights or if he flies. But later he may not be able to get such liberal insurance."

That is why this father gave his son a life insurance policy as his birthday present.

**QUESTION:** Now which life insurance company will insure boys up to 15 years of age without in any way limiting their protection if they fight or fly in the future?

**ANSWER:**

### THE MUTUAL BENEFIT LIFE INSURANCE COMPANY

NEWARK, NEW JERSEY

they included C. B. Metzger, formerly of the Pittsburgh agency and now assistant treasurer of Equitable; Fitzhugh Taylor, agency manager for Indiana, and Lisle A. Spencer, associate agency manager of the Woods Agency in Youngstown, O.

#### Northern Life Parley Held

SAN FRANCISCO—A one-day agency conference was held here by Northern Life under the direction of Clifford Deranleau, San Francisco manager, and F. D. Addis, Oakland manager. O. D. Sanford, assistant secretary, and Glen Morse, group department, represented the home office.

#### Utah-Idaho Meeting Held

T. H. Tomlinson, assistant superintendent of agencies and educational director of Bankers' Life of Iowa, addressed a meeting of agents from Utah and Idaho in Salt Lake City. He stressed the importance of organized effort and the right kind of a sales talk. W. A. Crowder, agency manager, presided at the two sessions, which concluded with a turkey dinner.

#### Guardian Regional in Tulsa

A regional conference will be held Nov. 16-17 in Tulsa, Okla., by Guardian Life, under direction of John C. Slattery, agency director from the home office. The conference will consider agency plans and pension trust operations. The region comprises western Oklahoma, of which Kenneth L. Aldrich is manager; eastern Oklahoma, Ross Dawson, manager; Arkansas, John Andrews of Fort Smith, manager, and Missouri, Hiram Johnson, manager.

## COMPANY MEN

### R. E. Murphy Named Cal-Western States Agency Head

Robert E. Murphy, home office general agent of California-Western States Life, has been elected vice-president and superintendent of agencies, succeeding the late Ray P. Cox, effective Jan. 1.

### Dunlap, Metropolitan Third Vice-president, Retires

Earl O. Dunlap, third vice-president of Metropolitan Life, in charge of auditing and accounting, has retired from active service. Owing to serious and protracted ill health, he asked to be relieved of his duties under the company's insurance and retirement plan.

The accounting work is being carried on and will continue under the supervision of J. J. Clair, assistant secretary. Mr. Dunlap's retirement marks a career of 40 years spent in life insurance, during which he became widely known in actuarial and insurance accounting circles. He began in 1903 as an agent of Pittsburgh Life & Trust, and later entered the home office where he worked successively in nearly all of the departments. Prior to 1917 he had attained the rank of actuary.

When the business of the Pittsburgh was assumed by Metropolitan in 1917, it was operated as a separate unit and

#### WANTED

Position as Vice President and Agency Director with life insurance company. Age 46, married, family, now employed as assistant to superintendent of agencies. Familiar with all angles of field and home office agency work; 15 years of successful experience in sales management. Have fine record, can stand rigid investigation. Any offer or inquiry will be held strictly confidential. Address Box T-45. The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

Mr. Dunlap entered the Metropolitan service to give particular attention to that business. Subsequently all policy obligations of Pittsburgh Life were discharged in full, liens which had been placed against the policies were wiped out and dividends were eventually resumed.

Mr. Dunlap was appointed an assistant secretary of Metropolitan in 1923, and was made an assistant actuary in 1927, in charge of group life and health actuarial work. He was appointed third vice-president in 1939.

## AGENCY CHANGES

### Nelson General Agent for the Aetna Life at Grand Rapids, Mich.

Ernest W. Nelson, general agent of Aetna Life in Springfield, Mass., has been appointed general agent in Grand Rapids, Mich. A native of Bickleton, Wash., he was educated at the University of Washington, where he rowed stroke on a championship crew. He was connected with the United Fruit Company in Honduras, the Westinghouse Electric Company in New York and the Pittsfield Electric Company before he became an Aetna Life agent in Pittsfield in July, 1933. He was appointed a district agent in 1934 and assistant general agent in 1937. He was named general agent in Springfield in April, 1937.

He succeeds H. W. Florer, who becomes general agent at Boston.

### Metropolitan Life Changes in Canada Announced

TORONTO—Four Canadian managerial changes have been announced by Metropolitan Life. William C. Magee has been transferred to London, Ont., from Barrie to succeed Fulton W. Jenkins, who has been appointed assistant superintendent of agencies with headquarters at Ottawa.

F. Walter Godwin, former Canadian manager of the field training division, has been appointed manager at Barrie. John E. Gordon, formerly manager at Fort William, has been transferred to Brantford to succeed the late James C. MacGregor.

Donald I. McClellan, formerly assistant manager in Winnipeg, has been promoted to manager at Fort William.

Howard W. Yearsley, formerly field training supervisor, has been named Canadian manager of the field training division to succeed Mr. Godwin.

### Ulrich Made General Agent for Lincoln National Life

W. C. Ulrich has been appointed general agent of Lincoln National Life in Madison, Wis., with offices at 812-14 Tenny building.

Mr. Ulrich began his life insurance career 14 years ago with the Equitable Society as an agent in Kansas City, Mo., and later in Milwaukee. In 1934 he became supervisor and general agent in Milwaukee of Old Line Life. He joined American Reserve Life in 1941 as general agent.

He was born in Madison in 1917, and attended the University of Wisconsin. He succeeds R. L. Hesse, who recently became manager of New World Life in Madison.

### Kincaid General Agent of Central Life, Ia., in K. C.

Hiram E. Kincaid has been appointed general agent in Kansas City for Central Life of Iowa. Mr. Kincaid, who has been with Mutual Benefit Life for several years, is a former president of the Life Underwriters Association of Kansas City, and he served two terms

as president of the local chapter of the C.L.U.

### Williams Group Assistant

Carroll G. Williams has been appointed group assistant of the life department of Travelers in the Insurance Exchange branch, Chicago. He is a native of Illinois, was employed by Travelers in 1935 as claim investigator and for eight years worked in Brooklyn, New York City and Bartlesville, Okla. Since February, 1943, he has been group service representative in the Chicago branch.

### Dopps Named at Mason City

E. C. Dopps has been appointed general agent of Midwest Life of Lincoln in north central Iowa with headquarters at Mason City.

### Hardy Pension Trust Head

William B. Hardy, New England Mutual, president of the Cincinnati Life Underwriters Association, has been ap-

pointed manager of the company's newly created pension trust department in the Cincinnati agency.

### Russell in Charge in Fort Wayne

James L. Russell, agency supervisor of Connecticut Mutual Life in Fort Wayne, Ind., for several years, will take over the management of the agency there while Walter W. Peterson, general agent, is in the army. Mr. Peterson gave a dinner for members of the agency in honor of Mr. Russell.

F. D. Barry has been appointed assistant manager of the Jesse Black agency of Acacia Mutual in Philadelphia. He has been in the life field for 18 years, operating in New Jersey and Pennsylvania.

### Expect Ky. Commissioner Change

LOUISVILLE—It is expected that a commissioner of insurance will be named to succeed Sherman Goodpaster, as a result of the Republican landslide of Nov. 2. There is much speculation, but no definite candidates so far.

**AMERICAN NATIONAL INSURANCE CO.**

GALVESTON, TEXAS

W. L. MOODY, JR.,  
PRESIDENT

## POLICIES

### John Hancock Retains 1943 Dividend Scale

The same dividend scale as that currently in effect for ordinary and industrial policies and retirement annuity contracts has been adopted for 1944 by the directors of John Hancock Mutual.

The same general formula now in effect will be continued for group policies in 1944 with adjustments resulting from experience shown.

The company will set aside a sum of more than \$25,000,000 for dividends to policyholders.

The directors also voted that during 1944 the interest distribution on funds held on deposit or retained under policy provisions will be at the rate allowed during 1943. On premiums paid in advance no excess interest will be allowed and the discount rate on new advance premium transactions will be 2%.

#### Writes Monthly Premiums

Gulf Life, Jacksonville, Fla., has opened a monthly premium department, issuing ordinary life, 20-payment life and 20-year endowment.

## COAST

### Garrison Speaks at Los Angeles Luncheon

LOS ANGELES — Commissioner Garrison of California was the honor guest at a luncheon tendered him by Los Angeles insurance men. More than 400 attended. Commissioner Betts of Arizona was a guest.

Mr. Garrison discussed "Insuring the Future of the Insurance Business," the same talk he gave in San Francisco last month. The speech has been printed in booklet form.

Guests at the speakers table included: President M. R. Johnson, Pacific Indemnity; President Victor Montgomery and Vice-President W. R. Kilgore of Pacific Employers; President John Q. McClure, National Automobile; President Asa V. Call, Pacific Mutual Life; Dwight L. Clarke, executive vice-president Occidental Life of California; President William Nickerson, Golden State Mutual Life; President M. H. McKinley, Postal Union Life.

The American Legion's Insurance Post 513 sponsored the gathering.

#### Won't Move Office to Los Angeles

SAN FRANCISCO—A story recently appeared in a Sacramento daily and was copied in various other sections of the state, to the effect that Commissioner Garrison plans to move the principal office of the California department from San Francisco to Los Angeles. In denying the rumor, the commissioner's office says the misunderstanding came about because it is necessary for state officials to file at Sacramento a statement as to their official residence, which, in the case of Commissioner Garrison, is Los Angeles. However, it is stated that there is no intention of moving the principal office from San Francisco.

#### New License Date in Cal.

Approximately 17,000 applications for renewal of licenses of life and disability agents are being mailed by the California department to companies for distribution to agents. Under the amendment to the insurance code, licenses are now renewed on Jan. 1 instead of July 1. Applications must be filed by Dec. 15 and the penalty for failure to file is requirement of qualification by examination.

Approximately 16,000 of the applica-

tions are for life licenses while the remaining 1,000 are for disability. As there are some duplications, it is estimated there are approximately 12,000 life and disability agents operating in the state.

#### O'Connor Returns to Work

Joseph F. O'Connor has been given a medical discharge from the army air corps and is now back with the Fred M. McMillan agency of Penn Mutual in Los Angeles. He spent 13 months in the army before receiving his discharge. He has been with the McMillan agency since entering the life insurance business in 1937.

Sophia Bliyen, manager of the Los Angeles women's unit of California-Western States Life, will address the Insurance Women of Los Angeles Nov. 16 on the business woman's personality.

Francis V. Keesling, president West Coast Life and the California Insurance Federation, was general chairman of the mayoralty campaign of Roger D. Lapham in San Francisco, who won by a big margin. A number of insurance men and women served actively in the campaign for Mr. Lapham's election, including Charles R. Page, board chairman of Fireman's Fund.

## CHICAGO

#### COOK TO ADDRESS SUPERVISORS

The Life Agency Supervisors of Chicago will be addressed at a meeting Nov. 12 by Paul W. Cook, Chicago general agent Mutual Benefit. He is a life member of the Million Dollar Round Table.

#### FOR STATES RIGHTS BILLS

The Chicago Association of Commerce has notified Illinois members of Congress that it has approved the principles of the Bailey-Van Nuy's bill to exempt insurance from the federal anti-trust acts. The association stated that the direct issues involved are in a broader sense a screen behind which looms the question of states rights vs. expanding federal regulation and bureaucracy.

#### ILL. CONGRESSMAN ENDORSES BILLS

Congressman F. E. Busbey of Chicago, in a letter addressed to Wade Fetzer, Jr., vice-president W. A. Alexander & Co., strongly endorsed the Hancock-Walter and Bailey-Van Nuy's bills on states rights in insurance and pledged his vote and active support for them.

## AGENCY NEWS

#### Simpson Honored in Detroit

F. W. Simpson, Detroit manager of Dominion Life, was guest of honor at an agency banquet, celebrating his birthday. Moe Leiter, agency production leader and first vice-president of the company's Hilliard Club, was toastmaster and announced that the 30-day production drive in the manager's honor had resulted in production of \$500,000 of new business, far exceeding any similar drive of the agency force in past years. E. C. DeWolfe, manager in Windsor, Ont., and A. M. Gump, president Michigan Hospital Benefit Association, were among the speakers who complimented Mr. Simpson on his achievements. Agents and office personnel attended.

#### Gillis Agency Meets

NEWARK—At the annual meeting of the Alexander F. Gillis agency of Provident Mutual Life, Ernest Farrington, assistant manager of agencies; William E. Creery, assistant vice-president, and A. L. Dickey and George Schoemaker, New York City general agents, spoke. Alexander Gillis presided.

## NEWS OF LIFE ASSOCIATIONS

#### Hedges Warns of Legislation, Agents' Over-Confidence

OKLAHOMA CITY — The main topic at the November meeting of the Oklahoma City Association of Life Underwriters was adverse legislation pending and proposed in Washington. President Theo. Green, Massachusetts Mutual, urged members to communicate with Congressmen expressing their views on the various acts that threatened the life insurance business.

The necessity for such action was stressed still more strongly by Herbert A. Hedges, president of the National association, chief speaker of the day. He pointed to the wage stabilization legislation from which, despite active effort on the part of the National association, no amending relief has yet been obtained. He advised that the National association is definitely on the job on the Bridges bill, and spoke of the Wagner bill to extend the social security act, designating it as one of the most vicious and important bills, both to the life insurance business and to the individual.

President Hedges then turned to selling. He raised the red flag of danger and cautioned agents not to overestimate their ability because of their increased production, stating that it might be due to conditions rather than skill.

#### Costello Tells Texas Groups of Today's Opportunities

The San Antonio Association of Life Underwriters heard John P. Costello, Dallas, president Texas association, on "Today's Opportunities." He said the personal producer while engaged in selling is much like the football player who must take his part in the game and is unable to see the game as a whole. This salesman, like the member of the team, he pointed out, learns much when he is benched and sees the game as a whole. This knowledge, he indicated, should guide the salesman in improving his sales technique.

Some of the points which the successful salesman must develop were listed as "awareness of conditions," "a proper mental attitude, and ability to adjust



## TOM, DICK AND HARRY

Just as the horse and buggy gave way  
before the on-sweeping motor car so have  
"old selling methods" given way to Minne-  
sota Mutual's streamlined Organized Sell-  
ing Plan. Let us tell you about it in addi-  
tion to many other facts about this

Quarter Billion Dollar Mutual Com-  
pany, 63 years old, with an under-  
standing, cooperative Home Office.

## THE MINNESOTA MUTUAL LIFE INSURANCE COMPANY

Saint Paul, Minnesota

methods to changing conditions." He considers a keen realization of what is going on in the world and the consequent employment of opportunities which confront the salesman as essential to awareness of conditions.

Quoting Eric Johnston on the disappearance of land frontiers and his statement that there are "frontiers of the mind," Mr. Costello stressed the importance of keen mental action to meet situations which come up and the results which come to the alert mind that can go around an obstacle and get the result desired.

He emphasized insurance on key men and on the children of successful men who are in a position to provide adequately for the future. He illustrated the importance of correct use of letters from professional men who know the cost of children's education, and stressing the key man value as compared with the physical plant.

Where a plant pays a dividend of 14%, he said 10% is due to brains and 4% to the physical plant. He closed with an appeal to life insurance men to realize that their business is an essential industry and take advantages of present opportunities.

Mr. Costello also addressed the Corpus Christi association, the Valley Grande association at McAllen and the Austin association.

#### E. A. Crane to Speak

The Missouri Association of Life Underwriters expected to have L. O. Schriver, manager Aetna Life, Peoria, Ill., and former president National Association of Life Underwriters, to speak Friday afternoon at the annual meeting at Jefferson City. He, however, had to enter a hospital for a physical checkup. E. A. Crane of Indianapolis, general agent Northwestern Mutual and trustee of the N. A. L. U., will appear on the program.

#### New Michigan Publication

**DETROIT**—The first number of "Life Sentences," new bi-monthly publication of the Michigan Association of Life Underwriters, has been issued. H. B. Thompson, secretary-treasurer, is editor. The association's extension committee headed by J. B. Ames, Detroit general agent Lincoln National Life, is sponsoring the publication.

**Cedar Rapids, Ia.**—C. A. Phillips, dean of the College of Commerce of the University of Iowa, spoke on "Tomorrow's Price Problems."

**Fort Wayne, Ind.**—The first of a series of fortnightly sales clinics will be held Nov. 13 on "Recognizing Local Markets." Attendance at these meetings will be limited to members of the association.

**Seattle**—Col. D. Gordon Hunter, vice-president and agency manager of Phoenix Mutual Life, spoke on "The Global Aspects of the War." He drew upon his knowledge of military matters, his experience in foreign service in the first world war, what he observed as a civilian when he was recently invited to attend the Command and General Staff School of the army at Fort Leavenworth.

**Pittsburgh**—At Wednesday's meeting R. N. Waddell, general agent Connecticut Mutual, was the speaker. Holgar J. Johnson, president Institute of Life Insurance, is to speak at the December meeting on "What Life Insurance is Doing."

**Milwaukee**—Harry E. Roth, assistant manager in charge of brokerage and instruction of the Milwaukee ordinary agency of Prudential, will speak Nov. 18 on "Your Prospect Is a Human Being."

**Mobile, Ala.**—J. L. Conner, division manager of Commonwealth Life, spoke on "Juvenile Insurance," outlining how agents may write policies on younger boys and girls now that many of their other prospects are in the services.

**Columbus, O.**—At the annual seminar this week, Lt. Col. Spotswood W. Duke, formerly with Ohio State Life in Cincinnati, discussed how underwriters can assist members of the armed services with their life insurance problems.

Charles R. Garvin, Connecticut General, talked on "Maintaining a Clientele" and Robert W. Weathers, Mutual Life of New York, analyzed salary savings as

it affects increased profits through improved employee relations. Mary B. Crowe, Equitable Society, discussed "Life Insurance from a woman's Viewpoint." W. H. McGrath, Union Central, was general chairman.

**Jonesboro, Ark.**—Foster Vineyard, Little Rock, associate general agent of Aetna Life, discussed "Cradle to the Grave" insurance plans.

**Dubuque, Ia.**—B. A. Ruegnitz, Dubuque druggist, declared that the life men of America are "rendering an indispensable service to the community, state and nation."

"Life insurance is 'time' insurance," he said. "You provide for the exigency caused either by living too long or dying too young; and in addition your great institution of life insurance is the greatest single agency for the purchase of war bonds. You are assisting our government immeasurably in curbing inflation and attaining victory on the home front and the battle front."

**Lincoln, Neb.**—John P. Williams of the American College spoke at a special luncheon on "After all, how important is the underwriter?" At a dinner later he presented C.L.U. diplomas to W. A. Fraser, general agent of Bankers Life of Iowa, and Harold A. Dillman, Lincoln manager of Security Mutual Life of Nebraska.

**Hutchinson, Kan.**—Ladies night was held Nov. 3 with Ralph W. Hoyer, trustee of the N.A.L.U., as guest speaker. Also attending were W. A. Barton, Topeka, president of the Kansas association, and Walter J. Leonard, past president.

**Manhattan, Kan.**—City and school officials and civic club leaders were invited to a guest day dinner meeting to hear Ralph W. Hoyer, trustee of the N.A.L.U., who was accompanied by W. A. Barton, president, and Walter J. Leonard, past president of the Kansas association.

**Columbia, S. C.**—E. Davant Bostick, reviewed the convention of the National association in Pittsburgh and told of plans for a sales congress in Columbia next spring under the auspices of the state association, of which he is president. Membership of the Columbia association is now 91, the largest in its history.

**Minneapolis**—Nearly every employee of life agencies here is enlisted in the campaign of the Minneapolis association to sign up 20,000 Red Cross blood donors in November. The association has taken over the responsibility of building up the blood bank pool, which calls for 1,800 pints a week. The campaign is under the direction of Harold R. Kauffman, as general chairman.

**Peoria, Ill.**—Marion E. Burks, Springfield, assistant director Illinois insurance department, spoke on "The Insecurity of Social Security." He especially discussed the "cradle to the grave" program pending in Congress.

**Lake County (Waukegan), Ill.**—Dr. Ernest A. Johnson, president Lake Forest College, gave a talk at the October meeting. Clancy Connell, trustee National association, spoke at a meeting Tuesday.

**East St. Louis**—A ladies night was held with dinner, cards and dancing.

**La Salle, Ill.**—Charles T. Cravens, educational director of Continental Assurance, advocated simplified programming and stressed the need for courtesy and diplomacy and to present the sales talk in the simplest and clearest manner.

**San Francisco**—E. E. Raymond, Equitable Society, has been appointed director, succeeding Bernard Jaffe, Penn Mutual Life, who has entered war work.

**Enid, Okla.**—Honoring Herbert A. Hedges, Equitable of Iowa, Kansas City, president of N.A.L.U., and Milton Asfahl, who celebrated his 11th anniversary with Equitable of Iowa, a dinner was given for members, guests and their ladies, with Ed Croon, Equitable Society, president of Enid association, presiding.

Among the out-of-town guests were John Brock, Oklahoma state manager of Equitable of Iowa; Kenneth L. Aldrich, Guardian Life; Tom B. Reed, Great Southern; Harry Emmert of Tulsa, president state association, and George Field, Travelers, about 60 were present.

**Oklahoma**—The annual sales congress will be held early in 1944, but in Oklahoma City instead of Tulsa as originally planned.

Harry Emmert of Tulsa, president, has appointed J. Hawley Wilson, Massachusetts Mutual, Oklahoma City, chairman of a committee to work with the war finance committee.

Tom Wilson of Great Southern Life

was named chairman of the congress committee.

**Chicago**—Distribution is being started of about 15,000 copies of the volume, "Handbook of Life Insurance," in Chicago schools. President Louis Behr stated more than 5,000 of these will be used in public high schools, and over 10,000 in parochial and other schools in the city and surrounding towns. The book is published by the Institute of Life Insurance. The Lakeview district office of John Hancock Mutual under Manager R. W. Weber has qualified with 100% paid membership in the association, the sixth to do so since July 1. J. M. Royer, Penn Mutual general agent, is membership chairwoman.

**Northern New Jersey**—Hampton H. Irwin, educational director Massachusetts Mutual Life, will conduct a "Production Clinic" in Newark, Nov. 18.

**Buffalo**—Judd C. Benson, Union Central general agent at Cincinnati, will address the Nov. 18 luncheon meeting on "Plans for 1944." President H. Wainwright Swain will preside.

**Cincinnati**—Joseph Long, general agent of Provident Mutual at Knoxville, is addressing the Friday luncheon meeting. He spoke last year to the General Agents & Managers Association.

**Lansing, Mich.**—Lester S. Roscoe, director of field training of Occidental Life of California, pointed out the opportunities now afforded by the public determination to set aside savings during the war period when maximum employment and high wages are general. He said a Gallup poll showed at the start of 1943 that the major resolution of the

#### Equitable's Payments for First Nine Months

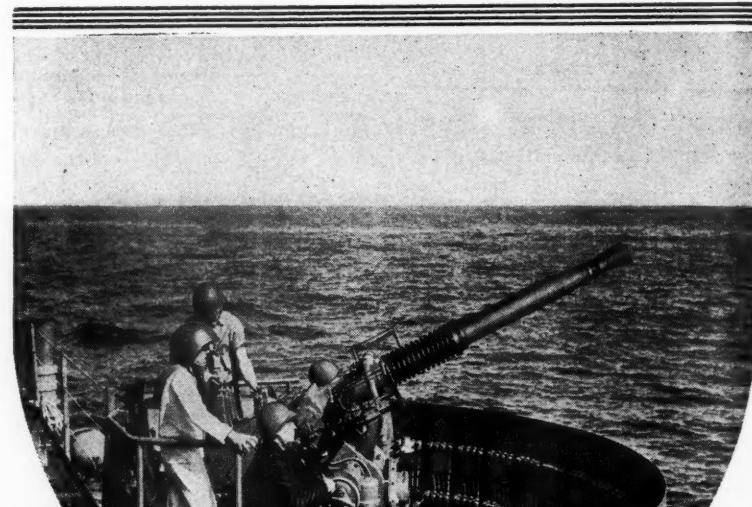
Equitable Society during the first nine months paid in dividends to policyholders \$30,655,540; in endowments \$7,072,145; in annuities \$25,336,104; in surrender values, disability claims and other payments \$37,830,185; in death claims \$58,667,074 or a total for the nine months \$159,561,048. Total payments since organized now amount to the great sum of \$5,157,608,951.

#### Sun of Baltimore Got Award

Sun Life of Baltimore was confused with Sun Life of Canada in the names of winners of exhibits at the Life Advertisers Association meeting. Sun Life of Baltimore won the award.

American people was to "save more money in 1943" and that developments since, including experience in the sale of war bonds, indicated the public is making good on that objective.

He stressed the large volume of life benefits paid on policies in force only a short time. He said 70,000 policyholders in 1942 died within a year or less after they had been accepted for insurance, payments totaling \$38,981,000.



## "One of The Best"



This hard-hitting, deadly accurate Bofors gun crew aboard an aircraft carrier is "One Of The Best" teams Uncle Sam has for blasting Jap and German planes from skies throughout the world.

Among Life Insurance companies, Central Life . . . now in its 48th year . . . a leader in the low net cost group . . . with assets of \$1.11 for every dollar of liability . . . also is recognized as "One Of The Best."

Two Good Investments  
WAR BONDS  
•  
LIFE  
INSURANCE

CENTRAL LIFE  
ASSURANCE SOCIETY  
(Mutual)  
HOME OFFICE • DES MOINES

## AGENCY MANAGEMENT

### Notable Program for Management Congress in Mich.

DETROIT—General agents, managers and supervisors from all over Michigan have been invited to attend the Michigan Management Congress sponsored by the Associated Life General Agents & Managers, with the Michigan Association of Life Underwriters cooperating, here Nov. 19. More than 200 are expected to attend. A. P. Johnson, Great-West Life, president of the managers' association, is general chairman and will preside at both morning and afternoon sessions.

#### Speakers Are Listed

J. Harry Wood, vice-president and manager of ordinary agencies of John Hancock, will talk on "Trends in Life Insurance as They Affect Agency Management;" Judd C. Benson, Union Central, Cincinnati, "Our Agency Plans for 1944;" J. Roger Hull, vice-president and manager of agencies of Mutual Life, "Life Insurance and Freedom;" Osborne Bethea, Penn Mutual, New York, "Agents' Compensation," and R. E. Habermann, Northwestern National, Minneapolis, will close on "Agency Building in Rural Territory."

Invitations to participate also have been extended to Toledo and Windsor managers and general agents.

#### Should Plan Now to Avoid Same Old Mistakes

The business now has its chance to think and plan ahead in such matters as recruiting methods, training programs and compensation of agents, Harry B. Cadwell, superintendent of agencies of Mutual Life, declared in addressing the meeting of the Life Supervisors Association of Northern New Jersey at Newark.

"Are we going to make the same old mistakes," Mr. Cadwell asked, "or will we be prepared to select only the right men? Will we be able to offer a training program that will practically guarantee success to that right man? Can we offer him a plan of compensation that will provide a fair and stable income? When this war is over we may have a period of prosperity exceeding the roaring 20's. Will we make the same old mistake or will we plan now so that we may avoid the pitfalls?"

Mr. Cadwell declared that the success of an agency is assured if there is cooperation and understanding between the supervisor and manager. Where unity of purpose is lacking then heartaches will result.

#### Columbus Managers Plan Big Parley for Nov. 19

COLUMBUS, O.—Under the auspices of the Columbus Life Managers & General Agents Association, a school will be conducted here Nov. 19, to which general agents, managers and supervisors in Ohio and surrounding states have been invited. H. J. Prouty, Travelers, is in charge of the arrangements.

#### Important Topics Scheduled

"Building New Agency Organizations" will be discussed by H. T. Burnett, vice-president and agency director Reliance Life. Holgar J. Johnson, president Institute of Life Insurance, will talk on "Life Insurance and Its Public Relations." Ben H. Williams, director of training Mutual Life of New York, will discuss "Stimulating and Training Present Sales Organizations." A. R. Jaqua, associate editor Diamond Life Bulletins, will explain "Today's Price for Successful Agency Management."

### Management Topics Discussed by Crane in Cincinnati

CINCINNATI—"Management Problems Under Today's Conditions," was the subject of discussion at the Cincinnati Life Managers Association meeting. E. A. Crane, Indianapolis manager of Northwestern Mutual Life and N.A.L.U. trustee, said the most important thing for a manager now is to organize him-



E. A. CRANE

self properly so he can concentrate his time on hiring men, training them, and supervising their work.

He came to the meeting laden with folders, canvassing material and other selling and management aids which he uses to show to general agents.

Recruiting a new organization should be the principal job under today's conditions. Good men are available, he emphasized. When a manager secures a recruit now, he is more likely to be a success than ever before, for such a person has been a success in his own business before being thrown out by freezing orders, or by priorities. Mr. Crane thinks it is more important to give proper training now than before, as the manager must enlarge production from his present organization.

#### Hear Miss Elmer in Milwaukee

Miss Ethel Elmer, Connecticut General, Chicago, formerly cashier and now a large producer, discussed "Pension Trusts, A New Trend in Life Insurance," at the monthly meeting of the Life Insurance Cashiers Association of Milwaukee. The meeting was designated as an "all-girl meeting."

#### Start Recruiting Plans Now

SAN FRANCISCO—Agency managers should start building a list of prospective new agents now for the post-war period, A. L. Dern, vice-president Lincoln National, told the San Francisco General Agents & Managers Association. Mr. Dern said that he is not in favor of salaried agents, stressing that the commission system produces the strongest incentive for greater effort and results. Frank Sleeper, general agent Lincoln National, introduced Mr. Dern.

#### Caperton Speaks in St. Louis

Joseph C. Caperton, Chicago general agent of State Mutual Life, addressed the General Agents & Managers Association of St. Louis on "Volume Secondary—Solvency Paramount." A question and answer session and discussion followed. Joseph T. Peterson, president,

who is manager of Guardian Life, presided. W. H. Van Sickler, St. Louis general agent of State Mutual, introduced Mr. Caperton.

#### Miss Bode Heads Cashiers

Hilda Bode, State Mutual Life, was named president of the Cleveland Life Agency Cashiers & Office Managers Association at the annual meeting. Stella Cadwallader, Ohio State Life, is vice-president; Mary Hajas, Union Mutual, secretary.

#### Oklahoma Managers Dine Hedges

The Oklahoma General Agents & Managers Club gave a dinner in honor of Herbert A. Hedges, president of the National Association of Life Underwriters, who was in the city to address the Oklahoma City association. About 35 attended.

John S. Crout, research engineer at the Battelle Memorial Institute in Columbus, addressed the Columbus (O.) Life Cashiers Association's meeting.

#### Baumann Entertains P. M. Men

D. J. Farrell, San Antonio, general agent of Pacific Mutual Life; Jack Moore, Dallas claim department, and W. M. Rothamel, vice-president in charge of agencies, were guests of Jul Baumann, Houston general agent of Pacific Mutual, at the St. Charles Club near Rockport, Tex., on a duck hunt.

## ACCIDENT

### Leading Producers to Conduct Round Table at Convention

The Leading Producers Club of the National Association of Accident & Health Underwriters will have a prominent part in the winter meeting of the National association in Des Moines at the Jan. 11 session. The club will meet in closed session at 10:30 that morning to take up matters in connection with the club, and this will be followed immediately by an open meeting and a round table debate at 11, open to all members of the National association.

#### Function of the Association

The round table will be conducted by Robert J. Costigan, Business Men's Assurance, Kansas City, secretary of the Leading Producers. The first half of the round table will be devoted to the subject, "How can good public relations be best developed in the association?" The two speakers selected for this section will be Miss Margaret Olson, North American Life & Casualty, Minneapolis, vice-president of the Leading Producers, and Marion Houston, Wash-

## So far in 1943

GAIN New Business Issued OVER 51%

GAIN Business In Force OVER 7%

GAIN Assets OVER 7%

GAIN Surplus OVER 12%

Our "BUILDERS OF MEN" Agency Plan Is Doing The EXPECTED

Write A. B. OLSON, Agency Vice President

Guarantee Mutual Life Company  
Organized 1901

OMAHA, NEBRASKA

ington National, Kansas City, past president.

The second part of the round table discussion will be on "What should be the function of the National association?" The two speakers on this subject will be E. H. "Count" Mueller of Milwaukee, past president of the National association, and new chairman of its planning committee, and Clay F. Lundquist, of Fred S. James & Co., past president of the Chicago association. The two subjects are thought-provoking and the debate is expected to be of great benefit to all of the association members attending this session.

Gilbert H. Knight, Federal Life & Casualty, Cleveland, chairman of the Leading Producers Club, will conduct the closed session.

The officers are hoping that the club will have a membership of at least 250 by convention time. The number is already near 200, and applications from many of the local associations are expected to be received before the convention date. The secretary has plenty of certificates to bestow upon all members of the National association, who can qualify for membership in the club.

## **Lydon, New Head of N. Y. Club, Warns of Social Security**

NEW YORK—The proposed expansion of social security by the government is the biggest threat to accident and health today, John F. Lydon, accident and health manager of Ocean Accident and newly elected president of the New York Accident & Health Club, declared at a meeting of the club following his election as president. Comparing social security taxes to a camel with its nose in a tent, Mr. Lydon said the program, which would cost \$20 billion, would mean the end of private insurance and the beginning of a plan to take over free enterprise. Free enterprise will be a legend if plans already laid eventually are carried into effect.

Of the \$20 billion, \$3 billion would be set aside for medical services and it would mean the end of the individual's freedom in choosing his doctor, Mr. Lydon declared. He said there never was a time when cooperation was needed more in the business.

### **Officers Elected**

Other officers who were elected are: T. E. McGrath, Connecticut General Life, first vice-president; G. C. Hamlin, United States Fidelity & Guaranty, second vice-president; B. Herbert Reaves, Phoenix Indemnity, third vice-president; E. A. Smith, Travelers, secretary; E. E. Anderson, Commercial Travelers, treasurer, and J. F. Bulger, Metropolitan Life, assistant treasurer.

## **THE UNITY LIFE & ACCIDENT INSURANCE ASSOCIATION**

*Protects  
The Entire Family*

Unity agents are equipped to serve every need for personal insurance. Juvenile policies our specialty.

**A Policy for Every Purse and Purpose**

E. R. DEMING  
President

L. J. BAYLEY  
Secretary

HOME OFFICE—SYRACUSE, N. Y.

W. T. Hammer, Commercial Casualty and Metropolitan Casualty, gave the report of the nominating committee.

Three members elected to the executive committee are: H. M. George, U. S. F. & G.; J. L. Ullman, W. L. Perrin & Son, and W. F. Casey, Accident & Casualty.

### **Justice Garrison a Speaker**

C. J. Garrison, municipal court justice, third district, spoke interestingly of a number of his experiences on the bench. P. G. Korn, vice-president of National Casualty, was a guest.

Mr. Lydon has long been active in the club and in the Bureau of Personal Accident & Health Underwriters, of which he is a past chairman of the governing committee. Entering Ocean Accident in a clerical capacity in 1909, he has been in charge of the accident and health department about 15 years, and has spent his entire insurance career with that company.

### **Many Returns on Social Security Questionnaire**

NEW YORK—A very large proportion of the companies writing accident and health insurance have submitted their returns on the questionnaire sent out by Prof. R. H. Blanchard of Columbia University as consultant to the Social Security Board, but the questionnaires are still coming in. It is understood that very few companies have indicated that they are unable or unwilling to furnish the information asked for in the questionnaire.

It is expected that it will take at least two or three months to digest, collate and analyze the data contained in the questionnaires and prepare a report. It is understood that there will be a conference between Professor Blanchard and officials of the Federal Security Administration before the report is prepared, but no date has been fixed for such a conference.

### **Bendiner A. & H. Club Speaker**

Irvin Bendiner, Philadelphia attorney and tax expert, who is also a big producer for New York Life, will address the Accident & Health Underwriters Association of Philadelphia at its meeting Nov. 23.

### **Mail Companies Aroused**

Companies doing business largely by mail are very solicitous over the possibility of postal rates being increased. Some of the officials have been in Washington interviewing members of the ways and means committee of Congress and explaining their plight.

## **SALARIED MANAGER**

Opportunity for Extra Income and Vested Interests

### **WANTED**

for

### **OHIO LOCATION**

Well Established Company

*Your correspondence will be confidential*

**Write T-42, The National Underwriter,  
175 West Jackson Boulevard, Chicago 4, Illinois**

## **INSURANCE MEN IN ARMED SERVICES**

**Mayo C. Tabb**, manager of the life and accident division of the Tabb, Brockenhurst & Ragland agency of Richmond, Va., of which his father, T. Garnett Tabb, is senior partner, has returned to the southwest Pacific area following a brief visit to his home city. He is a lieutenant in the naval reserves and has been on duty in that area for more than a year.

**Kenneth W. Jacobs**, Wisconsin general agent of Connecticut Mutual Life, now has two sons in the service—Kenneth, Jr., in the air corps and Tim, who joins the army this week.

**Kenneth Johnson**, an examiner of the Iowa insurance department, has been granted a leave of absence to enter the navy.

**Lt. Col. Joseph R. Holzapple**, former Peoria agent of Connecticut Mutual Life, who recently was awarded the U. S. Distinguished Flying Cross, has received a similar award from the British. He was cited for his courage and brilliant leadership during 47 combat missions.

**Capt. Clyde H. Fuller**, formerly with the Stamm agency of Northwestern Mutual Life in Milwaukee before entering service in July, 1942, has been promoted to major in the army air force, stationed with a unit at Dover, Del. He served in the last war with the 107th engineers in France and later was assistant purchasing agent for the AEF in Italy.

**Lieut. (j.g.) James B. Chase**, who represented Aetna Life in Nashville, Tenn., before entering service, has been awarded the Navy Silver Star for gallantry during the Sicilian invasion.

**Charles Campbell**, Jacksonville, Fla., manager of Prudential, now a lieutenant colonel in the army, visited Clifford Henderson, Prudential manager in San Francisco. Lt. Col. Campbell reported that 27 members of his agency who previously wrote approximately \$4,000,000 of business per year, are serving in the armed forces.

**Col. Robert S. Harris**, formerly with Northwestern Mutual Life in Chicago, is now instructor in civil affairs at Cleveland College's army training school in Cleveland.

**Lieut. Robert F. Cline**, formerly with Connecticut General Life in Indianapolis, has been awarded the air medal in recognition of meritorious achievements while participating in an aerial flight over Wewak, New Guinea. Lieut. Cline, flying a P-38 escort for bombers

to Wewak, shot down an enemy aircraft that was riding on the tail of his flight leader.

**Lt. Col. Franklin R. Amthor** of the army signal corps, formerly supervisor of agents' training for Equitable Society, who has been in England for some time, visited friends and former associates at the company's home office in New York last week.

### **Capabilities of States Big Question at Hearings**

(CONTINUED FROM PAGE 1)  
the way Missouri says you have got to do it."

Drawing from McKittrick the admission that no state or federal court has ever held that insurance was interstate commerce and, therefore, the states couldn't act, he asked the Missouri attorney-general why in the light of that he continued to say that the states cannot act with regard to insurance. Senator Ferguson, at McKittrick's reply that because of the machinery that the companies have set up since 1929 it is beyond the power of any state to act, asked if the state hasn't the right to say what companies shall do business within its borders and that if it finds a company has done the type of things that McKittrick complained of the states could not prohibit them from doing business. McKittrick conceded that was correct but said it was not a remedy for the state to destroy the business and insurance is one of the biggest businesses in the country today."

"What would the federal government do then?" Ferguson asked. "It could just prevent the company from doing business anywhere, in all the states. Isn't that the most it could finally do? It might put a few in jail but couldn't you put the local agents in jail for this conspiracy?"

McKittrick expressed doubt about prosecuting local agents.

### **Complains of W. U. A. Fines**

Regarding the inadequacy of Missouri laws to suppress the type of company activities of which McKittrick complained, Representative Clarence Hancock of New York asked why, if the laws are weak, the Missouri legislature could not change them and make them adequate to take care of the situation. McKittrick conceded that the legislature could change the laws but that it

couldn't write a law that would prevent the Western Underwriters Association in Chicago from fining any company that filed deviations in Missouri \$5,000.

"You can pass laws to control the insurance business in the state of Missouri, and that ought to be enough," Hancock remarked. "Are you interested in controlling the insurance business in New York and Pennsylvania?"

"No, I am only interested in controlling it in the state of Missouri."

"And you have full power to do it because an insurance policy is written in the state of Missouri, that is where the contract is made, and you have full and complete authority to control it," Hancock replied. "Every other state has, and every other state has insurance departments and insurance laws which apparently are entirely satisfactory to them. If you will look at the record you will see letters from a great many governors and commissioners of insurance throughout the United States. I don't know that there is one from Missouri but there are letters from practically every other state in the union."

Chairman Van Nys brought out the fact that he had a letter from Superintendent Scheufler of Missouri, who did not agree with McKittrick's views.

"When you get down to where you have to do something and you can't run off somewhere else and get them to do it for you it is surprising what you can do," said Sumners.

### HANCOCK REBUTTAL

Representative Hancock, in his detailed rebuttal of the points raised by Attorney-general Biddle, stressed the adequacy of state powers of control over insurance. He particularly took issue with Biddle's statement that there is no control whatsoever exercised over fire insurance rates by 25 states which Biddle named.

#### Would S. 1362 Be Retroactive?

A sharp difference of opinion arose between the proponents and opponents of the bill as to whether it would affect the pending prosecutions of the companies in the Southeastern Underwriters Association case. Senator O'Mahoney of Wyoming, the only member of the entire judiciary committee who has expressed opposition to the bill, stated that a declaration by Congress saying, as the bill does, that "this act shall not be construed to mean" that the Sherman act and the Clayton act apply to insurance would be inevitably retroactive. He doubted that any court would say that Congress now intends to change their point of view.

The argument of the defendants in the S.E.U.A. case, he said, would immediately be: "Congress has said that the Sherman anti-trust act shall not be construed to apply to any act (in the conduct of the insurance business). We have performed certain acts. These acts include the setting up of rules and regulations whereby certain insurance companies shall not be permitted to reinsurance because they are not members of our body." O'Mahoney said that in his opinion the effect of this would be to "knock the very bottom out of the anti-trust law," and that it means nothing in the world except a declaration by Congress that "the insurance business may be conducted without regard to the anti-trust laws, in other words, that monopolistic practices from now on out and in the past so far as insurance is concerned are perfectly O. K." Assistant Attorney-general Berge said that he thoroughly agreed with O'Mahoney and that he thought that the bill would almost certainly be construed that way by the courts.

#### States Have Full Power

Hancock contended that the states have full power to regulate the insurance business within their boundaries and to stop any abuses there may be but O'Mahoney declared that "what we are considering here is not at all the power of the states to regulate insurance but the

power of the regional organizations which have been set up by the insurance companies to regulate the business of insurance within the state." He said that in the guise of contending that the Justice Department shall not bring a case under the Sherman anti-trust law the proponents of the bill are saying that "we want the insurance companies through their various regional associations to govern the business of insurance and we want nobody to interfere with it."

Hancock pointed out that wherever the companies do business they are regulated by the laws of that state.

"Of course they are," O'Mahoney responded, "but they have established a super-government in the four regions and this super-government, the regional organizations of the insurance companies, regulates things that are beyond the power of the state to regulate. Only the federal government can meet this regional organization of the insurance companies on an equal footing."

Rep. Hancock: Well, that Southeastern Underwriters Association, doing business in Georgia or Alabama, must comply with the laws of those states. It is simply an association to collect data and information, and actuarial experience, and it isn't a super-government at all.

Sen. O'Mahoney: Let me ask you a hypothetical question. If one of these regional associations withdraws an agency agreement from an insurance agent in my state, or in your state, because he has taken or has sold a policy in a non-member organization, do you believe that that should not be cognizable under the Sherman anti-trust law?

Hancock: Well, if I were the chief of agencies of General Motors, I wouldn't employ a man to handle the Chrysler line.

Sumners: Senator, isn't there this about the situation? The question is whether or not insurance is the type of interstate commerce—whether it is interstate commerce at all, in fact, even though it may be held to be under the expanded construction of the courts and Congress. But if it is, is it the sort of interstate commerce that requires the intervention of federal power in order that the people of the several states may have sufficient protection, assuming that the states now have the power to determine what insurance companies may do business in their states, and how they shall do it? That is the question in my mind, without regard to what has been held.

O'Mahoney: Congressman Sumners, I think that insurance is no different from any other business. If the rules and regulations which are imposed by the national organizations of insurance companies, or the regional organizations of insurance companies, close the door of opportunity to competing insurance companies, or hamper the business of individual agents, or affect and control the rates which householders must pay, and they do that by combination and agreement among themselves within the terms of the Sherman anti-trust law, I do not think that Congress should give them a charter to do it without regard to their responsibility to law.

Sumners: I think, as a matter of fact, that we have got just about as much power up here and we have taken about as much away from the states as is good for us, governmentally.

O'Mahoney: I agree with you.

Sumners: I have no disposition to remove from the states the necessity of them grappling with a problem within their capacity, even though it is difficult. Now in my state I think we worked out a system under which insurance companies may not do business in that state unless they meet state requirements, and we think we can protect the people, and we, I think, would just about as soon Uncle Sam would stay out of the whole picture.

#### Deer Lodge Case Cited

O'Mahoney: Congressman Sumners, you know the history of this insurance legislation and litigation has been this, that whenever the states showed a disposition to prevent exploitation of the people by the companies, the companies went to court, as they did in Paul v. Virginia, and contended that the business of insurance was of an interstate character and should be regulated by the federal government. But whenever the federal government undertook to regulate or to prevent exploitation of the people by

the insurance companies, then they used the other argument and said, "This is a matter for the states to control."

I remember in the Deer Lodge case, the New York Life Insurance Company hired Dean Pound to go into Montana, into the federal courts out there, against a state law taxing insurance, and they used every argument in the catalog to prove that insurance was a national business. They cited the postoffice laws, they said, "Why you cannot conduct insurance unless you use the mails."

Dean Pound of Harvard, one of the leading brain-trusters of the country, was the man who was the brain-truster for the insurance companies at that time to prove that state regulation was a delusion and a sham and should be done away with.

In the case of Paul v. Virginia, the only controversy there was that the insurance companies didn't want to pay a fee to the state of Virginia, and they instructed their agent to comply with every requirement of law except one—don't pay the fee.

Rep. W. C. Ploeser of Missouri, who is in the insurance business in St. Louis,

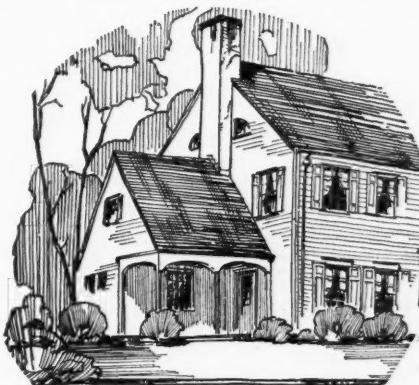
gave the committee some very sound reasons why the regulation of insurance should continue to be solely a state matter. Because the hearing had already run more than three hours he filed his statement with the committee rather than reading it.

#### Scheufler Endorses Measure

Chairman Van Nys read into the record the reply of Superintendent Scheufler of Missouri to the Senator's circular letter of Oct. 1 asking for opinions on S. 1362.

"It is my studied conclusion," Mr. Scheufler wrote, "that very serious and chaotic results would ensue should the established pattern, cumulatively refined through the 75 years of reliance on judicial construction, be upset.... There are occasional mistakes on the part of officials in both federal and state governmental operations; but an occasional mistake that may be ferreted out incident to state supervision certainly does not justify the upsetting of such a basic institution, so ramifying in its effect as

### SALES "BRIEFS" FOR THE BROKER



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CLIENTS

### MORTGAGE PROTECTED?

All too often, upon the death of the owner, his family is unable to keep up mortgage payments and the home, so carefully planned for, is lost.

But there is a simple practical way to prevent this family tragedy from happening to your clients through a Connecticut General Income Continuance Contract, written to guarantee the mortgage payments in the event of the owner's death.

On a man 35 years old, for example, this plan would protect a \$5,000 20 year mortgage for approximately 17¢ a day, paid over eleven years. After the eleven year period the policy would be totally paid for although protection would, of course, cover the entire 20 year mortgage period. This plan can be used either for new or partially paid off mortgages.

#### SUB-STANDARD LIFE COVERAGE

Connecticut General's broad sub-standard life program offers you a real opportunity to enlarge the scope of your market and reduce your rejection rate. The Company considers sub-standard life contracts to cover mortality rated up 500% (five times the normal mortality rate).

**CONNECTICUT  
GENERAL**  
LIFE INSURANCE COMPANY  
HARTFORD, CONNECTICUT



LIFE INSURANCE. ACCIDENT  
AND HEALTH INSURANCE.  
SALARY ALLOTMENT INSUR-  
ANCE AND ANNUITIES. ALL  
FORMS OF GROUP INSUR-  
ANCE AND GROUP ANNUITIES.

to every phase of social and economic import to the citizens of this great republic."

Chairman Van Nuys also included in the record telegrams and letters from insurance commissioners or other officials of states which, according to Attorney-General Biddle's testimony of the previous week, lacked adequate insurance supervision.

## Parkinson Laments Lack of Bond Sales

(CONTINUED FROM PAGE 1)

that the only practical way to cut down the country's excess spending power so that it will not compete too dangerously for the limited supply of goods available and hence force prices ever higher is to put on a sales tax. He pointed out that after all whenever the government has seen the necessity of raising money from a large number of people it has resorted to the excise tax which is nothing but a sales tax.

The difficulty with using the income tax to reach the lower income groups is that for the small amounts involved for each individual taxpayer the government's overhead and collection expense becomes unduly high.

Discussing the general investment problem of life companies, Mr. Parkinson said that investment men at the start of each year are apt to ask, "what are we going to use for investments this year?" They have done this for the last six or seven years but they have always found very good investments. He pointed out that the TNEC investigation conceded that life insurance funds were invested in the best securities that money could buy.

The ideal investment for a life company is a bond maturing in not less than 15 years and not more than about 35, preferably not more than 25, he said. Saying that "we need to earn

about 3.1%," he pointed out the difficulty of doing this when the principal borrower is paying only 1.99%.

No matter how good a bond may be it is not just left in the vault with the idea that nothing more need be done about it until it matures, Mr. Parkinson said. Equitable for example has men on its investment staff whose sole responsibility is to sell securities where this can be done to the company's advantage.

After describing the type of bond which the company desires for a long term investment, Mr. Parkinson continued:

"If we can't get that kind of a bond what do we do?" he said. "Well, that's mostly what we're doing."

In the first place the company is better off keeping cash in the bank rather than going into any but good bonds. The rule is not to invest if you can't get high quality. If you can get quality bonds at a lower interest rate than is essential they are a sound buy if they mature in a short period—five to 10 years. These are bought with the thought that they are to be "administered" into long term high quality securities when the latter are available.

"History warns us that to have a very high percentage of assets invested at 2 or 2½% in bonds of 20 to 25 years maturity may be very costly before that period is over," he declared.

### Need Penetrating Power

Saying that statistics are necessary in appraising bonds, Mr. Parkinson said that the statistical approach is not enough but that the investment man must have a little of the penetrating power of the poet in looking ahead to judge the probabilities in connection with the industry involved and the place of the issuing company in that industry. He recalled that some years ago Equitable invested in bonds of a small railroad which was earning five or 10 times what was needed to pay the interest on its bonds. Later it was found

that the huge earnings were derived largely from hauling machinery and materials which were being used to build a road paralleling it which took away all its business.

During the question and answer period following his talk, some one referred to the TNEC investigation and Mr. Parkinson remarked that that investigation had an opportunity to do a great deal of good but that with all the time and money of the government and the companies that was consumed the only final result was a recommendation that the companies be allowed to invest in common stocks. Asked after the meeting about his views on common stocks he declared emphatically

that he did not believe common stocks are proper investments for life insurance companies.

### Consider Entering Group Field

Plans for entering the field of low-cost group life insurance were discussed by trustees of the Savings Bank Life Insurance Fund of Connecticut at a meeting in Waterbury. Bank Commissioner Richard Rapport attended. Attorney M. V. Blansfield, Waterbury, fund president reported requests had been received from several manufacturing plants for such coverage. It is being issued by savings banks in New York and Massachusetts.

## Prosperity, Security Today and Tomorrow

According to the TNEC Report of the SEC, Indianapolis Life Insurance Company full-time men earned the largest average income of any company studied.

Their present earnings are higher than they were when that study was made.

They have prosperity and security today and tomorrow.

Friendly, practical Home Office cooperation, working arrangements that are conducive to best efforts and adequate compensation—a life-time service fee on premium paying business beyond the renewal period, a pension after 65—these are a few of the important reasons why Indianapolis Life men have prosperity and security today and for tomorrow.

## INDIANAPOLIS LIFE INSURANCE COMPANY

INDIANAPOLIS, INDIANA

EDWARD B. RAUB  
President

A. H. KAHLER  
2nd Vice-President  
Supt. of Agencies

*A Quality, Legal Reserve Mutual Company  
With over \$131,000,000 of Insurance in Force*

*Agency opportunities in Indiana, Illinois, Ohio, Michigan, Minnesota, Iowa and Texas.*

## Still TOPS!

LOW NET COST—To the buyer, it usually means premium less dividend —nothing more. And especially, not some arbitrary figure obtained by cashing in a policy he bought to keep.

But either way you calculate it, the low net cost of our Preferred Risk Participating Ordinary Life policy gives your client more\*...

Do you know this policy?

## Occidental Life

INSURANCE COMPANY OF CALIFORNIA  
HOME OFFICE • LOS ANGELES  
V. H. Jenkins, Vice-President

\*More peace of mind per premium dollar

85

Years of Steady Growth Makes  
for Confidence in the Future

MONUMENTAL LIFE INSURANCE COMPANY

Home Office—Baltimore, Md.

## LEGAL RESERVE FRATERNALS

### Protection Function of Life Insurance Still Is Best

Life insurance should be offered to the public upon the fundamental basis of protection, savings and thrift, Fred C. Mueller, secretary Lutheran Brotherhood, Minneapolis, declared in a talk before the Nebraska Fraternal Congress annual meeting. He has been in insurance work for 34 years, starting in South Dakota, and he said he had observed that whenever the original and basic purpose of life insurance—protection—was adhered to the results were favorable and successful.

"It is my belief that our success lies in emphasizing the importance and necessity of protection to the family in order to keep it as an asset to the community," he said. "There are so many ramifications between the members of a family in their relation to society that no greater work can be performed than to guarantee its continuation."

#### Policy Is Rock Foundation

"The essentials of a comfortable and independent standard of living revolve around the fact of a good home, food and clothes. Fortunate is the family whose needs are taken care of by life insurance payments provided through the wisdom of the father or other breadwinner."

"Never since pioneer days when currency was hard to get has it been so necessary to budget the family income and its expenditures as it is today. Financial demands upon our salaries and wages due to the increased cost of living, charitable contributions, war efforts of all kinds, property taxes and increased taxes for carrying on the world war have made every person money conscious. The best way to solve the resulting financial problem in an intelligent manner is by means of a definite life insurance program. Here the field representatives of our societies can render a very essential help in working out a plan to guard the family against the loss which usually results when the income of the husband and father stops."

#### Wife Also Needs Insurance

Mr. Mueller said many insurance salesmen when outlining a program for a family often overlook the fact that the wife also should have insurance. Many persons make little or no provision for medical and funeral bills occasioned when the wife and mother dies. The struggle of the father to meet these expenses often seriously affects the family group and may deprive the children of necessary things. Both husband and wife should be protected with adequate life insurance.

### Plan Soon to Rewrite Fraternal Course

The fraternal educational course which is being used as the foundation for awarding of the F.I.C. degree by the Fraternal Field Managers Association is being rewritten and modernized. A number of leading fraternalists met in Chicago with Fred A. Johnson, supreme archon of Royal League, president of the Field Managers Association, presiding.

Among these were Norton J. Williams, president Equitable Reserve, immediate past president of National Fraternal Congress; Alex O. Benz, presi-

dent Aid Association for Lutherans, Appleton, Wis., and past president N.F.C., and John E. Little, actuary and field director Maccabees, Detroit, past president of the association.

Alden C. Palmer of Research & Review, Indianapolis, met with the committee to discuss contemplated changes. A committee was named consisting of Mr. Johnson, chairman, and Messrs. Benz and Little to meet in Indianapolis Nov. 16-17 with representatives of Research and Review to criticize the revised draft. It also is planned to revise the literature on the course.

A project was approved to publish a special brochure of fraternal insurance in the name of the Fraternal Field Managers Association, containing a background of fraternal life insurance, which may be used by field men.

### Neel Urges Fraternals to Work for Van Nuys Bill

Commissioner Neel of Pennsylvania addressed the Pennsylvania Fraternal Congress in Philadelphia this week and urged members to appeal to their senators and congressmen to pass the Van Nuys-Bailey bill. He warned that the TNEC investigation has not been abandoned but only put aside until the Department of Justice completes its attack upon the fire companies.

Mr. Neel called attention to the dangers in the Wagner social security bill and pointed out that it embraces the very type of life and disability insurance which fraternals provide for their memberships. He said that this plan would force insurance upon all memberships. He said that this plan would force insurance upon all who are taxable rather than those who buy insurance voluntarily. He suggested that the fraternals take immediate steps to advise their entire memberships of the probability of government regulation and control and perhaps even federal ownership and operation of the insurance business.

He said that some fraternals have abandoned the lodge system and become insurance companies and he cautioned them that the societies should be either one thing or the other. If the trend is away from the lodge system then it should be done away with entirely.

### Royal League Appoints Colorado Manager

Harold K. de la Rulon has been appointed district manager of Royal

### The A. O. U. W. of North Dakota

THE PIONEER OF FRATERNAL  
LEGAL RESERVE SOCIETIES

Provides All Popular Forms of  
Life and Disability Insurance

A True Fraternal and a Mutual  
Life Insurance Association

#### THE WOMAN'S BENEFIT ASSOCIATION

Founded 1892

A Legal Reserve Fraternal Benefit Society  
Bina West Miller Supreme President  
Frances D. Partridge Supreme Secretary  
Port Huron, Michigan

Home Office—Fargo, N. D.

## COMPLETE FAMILY PROTECTION

Men, women and children written from  
birth to 60 years of age

**Life—Endowment and Term**

**Sickness and Accident—written sepa-  
rately or in conjunction with Life Insur-  
ance Protection**

**Hospital Certificates**

**PROTECT YOUR HOME—YOUR COUNTRY DE-  
PENDS ON A FIRM, DETERMINED HOME FRONT**

## THE MACCABEES

Home Office in Detroit, Michigan



*Sixty*  
**YEARS of SERVICE**  
1883 1943

As MODERN WOODMEN OF AMERICA completes 60 years of service to members and beneficiaries, it again finds itself functioning in a world at war. In the future all our efforts are pledged toward doing our part in prosecuting the war until it is brought to a victorious conclusion. Through its heritage as a fraternal life insurance society, Modern Woodmen of America will be a strong factor in maintaining the home-front for the duration, and it will be a vital economic force in rebuilding a peacetime America.

It is with justifiable pride that this organization reviews its 60-year record of faithful performance of its appointed duties through previous wars and periods of world-wide economic stress. It faces the future confident that it will continue indefinitely to fulfill its destiny of rendering genuine fraternal life insurance service to the people of America.

Diamond

\$650,000,000  
paid in benefits



Jubilee

Assets exceed  
\$105,000,000

**MODERN WOODMEN of AMERICA**

Rock Island

Illinois

League in Colorado with headquarters in Denver. He was installed this week by Fred A. Johnson, supreme archon.

Manager Rulon has been a sergeant major in the army, serving under General Harbord and General Robert E. Wood. His wife is juvenile supervisor of Royal League. Mr. Rulon is a graduate of Monmouth College and a native of Illinois.

#### N. Y. Congress Meets Feb. 28

The executive committee of the New York Fraternal Congress decided the next meeting would be held Feb. 28, 1944, in Hotel New Yorker, New York City. L. J. Bayley, Syracuse, is president.

#### N. F. C. Board to Convene

The executive committee of the National Fraternal Congress will convene in New York City Nov. 27 just prior to the annual meeting of the National Association of Insurance Commissioners. Mrs. Grace W. McCurdy, Royal Neighbors, Rock Island, Ill., president, will preside. Among other matters a project to conduct a public relations program will be discussed.

#### Johnson Appointed Chairman

Fred A. Johnson, supreme archon of Royal League, Chicago, has taken a post as chairman of the committee on field work of the National Fraternal Congress. His appointment soon will be announced by Mrs. Grace W. McCurdy, Royal Neighbors, president of National Fraternal Congress, in the list of appointments of committees for the year. Meanwhile Mr. Johnson has assumed office and has written to all N.F.C. member societies for suggestions as to methods of improving the field work.

The F.I.C. degree has been awarded by the Fraternal Field Managers Association to T. R. Forgan and W. H. Grogan, Woodmen of the World, Omaha.

## RECORDS

**Equitable, Iowa**—The paid business in October was \$7,154,716, gain \$1,640,937, or 29.8% over October, 1942. Total paid business for the first 10 months stands at \$62,700,611, gain \$17,232,485, or 37.9%, and \$5,122,119 greater than the new business paid in all of 1942. October marked the 11th consecutive month in which it has recorded substantial increases.

Insurance in force was increased in October by \$2,764,542, increasing the gain for the year to \$19,831,795. Insurance in force now is \$654,264,808—the greatest amount in its history.

The Cedar Rapids agency, O. A. Anderson, general agent, led in October followed in order by Denver, L. A.

Hammond, general agent; Seattle, H. S. Bell, general agent, and Chicago, Griffin, Ingram & Pfaff, general agents.

Leading personal producers in October, in the order named, were: Ray Wernimont, Cedar Rapids; J. A. Thomson, Mason City; J. M. Utter, Seattle; N. W. Brownfield, Youngstown, and F. R. Sextro, Chicago.

**National Life, Vt.**—New insurance for October shows an increase of 10.42% over October, 1942. In insurance in force the net gain is \$21,331,762, which is \$6,475,436 more than for the entire year of 1942.

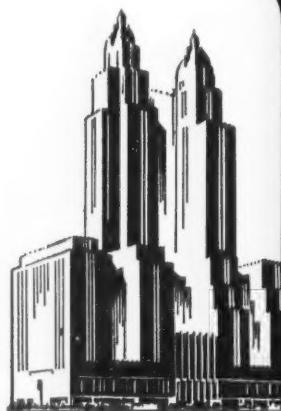
**Ohio National**—Figures show that the "President's Month" sales drive of fieldmen was a huge success. Total volume during October was \$4,113,910, a gain of 23% over the corresponding month last year. A unique feature was the inducement for field men to earn playing cards to be given to their local U.S.O. organizations, which resulted in a larger number of individual producers participating than in previous years. The contest in honor of President Troy W. Appleby recognized his 29th anniversary with the company.

**Pan-American Life**—Reached a new high in October with more than \$200,000,000 life insurance in force, gain over \$11,000,000 since Jan. 1. New paid production for 10 months ended Oct. 31 exceeded \$22,000,000, increase 20%.

**Wisconsin National Life**—October was dedicated by the agents to production in honor of Vice-president G. A. L'Estrange, who is agency director. The new life business that month increased 117.3% over October, 1942, and accident and health business increased 105%, making the greatest single month in the entire 35-year history of the company. Michigan contributed in a big way to the record, not only succeeding in breaking all past production in the history of the company in that state but having a lead over Wisconsin which finished second with Illinois, Indiana and Minnesota following.

The Michigan volume amounted to \$524,000 of life insurance and \$2,000 of accident and health premiums. The leading producer was Stanley Voorheis of Walled Lake, Mich., with \$84,525. J. Riley Oles of Lansing was second with \$77,425. The Michigan results were announced at a luncheon in Lansing attended by 40 agents. M. S. Kirkpatrick of Grand Rapids, superintendent of agents for Michigan, presided.

**Security L. & A., Denver**—The president's month campaign in October resulted in one of the best month's production in the company's history, honoring President W. Lee Baldwin's fifth anniversary as president and celebrating the attainment of \$50,000,000 insurance in force, the company's 15th birthday and a goal of \$55,000,000 insurance in force for 1943. Quota was \$2,005,000 life insurance and \$7,500 accident and health premiums. Total volume of life, accident and health on a commuted basis which was sold was \$2,359,625, increase



### Headquarters for Wartime Conferences

"Streamlined" conferences are welcomed at The Waldorf-Astoria. They are accorded the same diligent cooperation and staff assistance that made this hotel the convention center when occasions were more elaborate. Wartime regulations and restrictions are being obeyed, but there is no ceiling on friendliness.

THE  
**WALDORF-ASTORIA**

PARK AVENUE • 49TH TO 50TH • NEW YORK

## MUTUAL TRUST LIFE INSURANCE COMPANY

HOME OFFICE  
CHICAGO

FIELD BUILDING  
ILLINOIS

"As Faithful as Old Faithful"

### ONE OF THE LOWEST NET COST COMPANIES IN THE UNITED STATES

No Change In Rates, Dividends, Reserve Basis or Mortality Tables Since 1937

STILL 3% RESERVES—STILL 3% OPTIONS

No War Clause Below Age 15 Or Above Age 44

MEN WHO BELIEVE THEY HAVE GENERAL OR DISTRICT AGENCY QUALIFICATIONS MAY OBTAIN FULL PARTICULARS BY ADDRESSING THE AGENCY DEPARTMENT

*Nothing Better in Life Insurance*

## INQUIRY

Persia's poet-philosopher, Omar, was wont to "wonder often what the Vintners buy one half so precious as the stuff they sell."

In similar vein, it may be seasonable again to ask what unfriendly critics of life insurance can buy one half so commendable as the service they condemn.

## LIFE INSURANCE COMPANY of VIRGINIA

"The Natural Bridge to Security"

Bradford H. Walker, President

Home Office: RICHMOND

ESTABLISHED 1871



### OTTUMWA

A modern Iowa community — railroad division point, meat packing center—site of farm machinery factories. In the prosperous region adjacent to Ottumwa you could enjoy a profitable life insurance business — because Alliance Life policies make selling a pleasure.

B. T. Kamins, Agency Director

### COMPETENT REINSURANCE SERVICE

**Life**  
**Accident**  
**Disability**  
**Substandard**

R. E. Button, Reinsurance Secretary

**Alliance**  **Life**

**Insurance Company**  
Executive office: 750 N. MICHIGAN AVENUE  
CHICAGO 11, ILLINOIS

943  
95% in life production and 64% accident and health over October, 1942. On Oct. 31, life production was 38% ahead of the same period last year.

**Bankers Life, Ia.**—New paid-for business written in October totaled \$7,055,570, the largest production month since 1941, and the largest October since 1930, with a gain of 66% over October, 1942.

**National Guardian Life**—October was anniversary month and this year the agency force more than doubled the issue of October in 1942: \$927,276 as compared with \$438,971. Company gains in outstanding insurance were 3½ times the previous October record. For 10 months this year the gains are a little better than double 12 months of 1942—\$2,890,156 compared with \$1,419,118. The October record was achieved by 110 "Guardsmen" of whom John Major, Milwaukee, was top man with \$75,000; Ad Johanson of Eau Claire writing the greatest number of lives—45.

### John Hancock Makes Several District Changes

John Hancock Life has made several district organization changes. A new district will be established at Newton, Mass., with Henry G. Schafer, manager of the Somerville, Mass., district, as manager. He is being succeeded at Somerville by Angus J. MacIsaac, manager at Syracuse, N. Y.

John C. Russell, manager at Utica, will go to Syracuse as manager. John Denovil, manager at Amsterdam, N. Y., has been appointed to manager at Utica. Nicholas DeCross, assistant manager at Quincy, Mass., will be manager at Amsterdam.

Joseph Elman has been appointed district manager for the John Hancock at San Francisco 1. Mr. Elman was formerly assistant manager at San Francisco 2.

→ **Build**  
YOUR OWN AGENCY, OR  
BOOST YOUR INCOME . . .

### Here's How:

The Wisconsin National helps you to success and security. It offers a new and attractive life agency plan with a group of select and salable policies—diversified policies—Life, Accident and Health.

Or, you can boost your present income. The Wisconsin National has the policies that will secure increased income for you through new business as well as renewals. Your commissions will be most liberal, supplemented by prompt claim service.

★ For contract and territory in Wisconsin, Illinois, Minnesota, Michigan or Indiana, address Agency Manager.

LIFE • ACCIDENT  
• HEALTH •

**WISCONSIN NATIONAL**  
LIFE INSURANCE COMPANY  
OSHKOSH, WISCONSIN

### Aluminum Company Sells Debentures to 16 Companies

PITTSBURGH.—The Aluminum Company of America announces that it has arranged to sell \$84,000,000 of 20-year 3% debentures privately to 16 life companies, thus making one of the largest transactions of the year. Approximately 75% of the debentures are to be retired by the maturity date through a sinking fund. The schedule provides for the retirement of a gradually increasing amount each year redeemable at \$100. The proceeds of the debentures will be applied to the payment of bank loans. They were incurred as a result of the gigantic expansion of the company's facilities occasioned by the imminence of war and then war itself. This program now substantially completed involved about \$300,000,000.

### N. A. L. U. Files Brief with War Department on Sales

(CONTINUED FROM PAGE 3)

outlined the procedure for handling insurance at the headquarters of the eleventh naval district under which recurrences are held to be unlikely. Lieut. Com. K. R. Ferguson of the 12th naval district reports a similar plan.

Maj. F. S. Ashley, representing the ninth army service command, in discussing the directive that has been issued by the War Department, said that it had been issued so recently that he was not prepared to nor was he authorized to say what action, if any, had been taken on it by commanding officers. He did say, however, that until it was modified or definite instructions relative to it were received, commanding officers could but obey the directive.

Mr. Garrison made the observation that the department of insurance is but the intermediary to help adjust any insurance situation that may arise, but was emphatic in making it plain that the department would act where non-admitted carriers violated the laws.

Major G. H. Teeple, Santa Ana, expressed opposition to any modification of the War Department directive as applied to the army air force flying training command, because sales solicitations interfere with the men's work.

In the general discussion it was brought out that the insurance officers at both army and navy posts are counseling service men to conserve their commercial insurance, and that the private companies, in the main, are instructing their agents to advise service men of the advantages of National Service Insurance and are urging them to buy the maximum amount of \$10,000. It also was brought out that many of the companies are declining to issue policies to service men who do not own the maximum amount of National Service Insurance.

### Indiana Department Reports

INDIANAPOLIS.—The annual report of the Indiana insurance department for the year ending June 30 is being distributed. Department expenditures totaled \$68,515, \$5,334 less than its appropriation. Fees collected totaled \$148,415 and taxes \$2,739,955. Life companies paid \$1,673,453, fire companies \$516,394, and miscellaneous companies \$550,107. The fire marshal tax on fire premiums totaled \$115,150, making a grand total of fees and taxes of \$3,003,521.

### Col. Hunter in Los Angeles

The Life Insurance Managers Association of Los Angeles heard Col. D. Gordon Hunter, vice-president and agency manager of Phoenix Mutual Life, speak on "Global Aspects of the War."

### Reflection

The building of any organization begins, paradoxically, at the top and proceeds downward. This fact may not be ignored nor its truth nullified, for it works its effects with serene disregard to the theories of those who seek to refute it.

Good and capable leaders attract to themselves men who possess the same attributes, and it is equally a fact that such leaders not only reject, but, either wittingly or unwittingly, repel followers who are basically bad or incompetent.

The end result of this law's operation is that no organization can ever be better than those responsible for its ideals and its methods. Every institution is but the reflection of its governing personnel—a living proof of the inescapable fidelity of poetic justice.

AMERICAN UNITED LIFE INSURANCE COMPANY  
FOUNDED 1877  
INDIANAPOLIS

*The Home of Complete Protection*

**B.M.A.**  
BUSINESS MEN'S ASSURANCE COMPANY  
KANSAS CITY, MISSOURI

LIFE • ACCIDENT • HEALTH  
ANNUITIES • HOSPITALIZATION • GROUP • ALL-WAY



Upon a carefully built SOLID ROCK FOUNDATION this Company now expands upward and outward.

A mighty good connection for Agents who want "TO GET FIXED FOR LIFE."



### BANKERS MUTUAL LIFE CO. FREEPORT, ILLINOIS

Since 1907  
J. C. Peasley, President  
Not gigantic, "JUST GREAT"

## Life Companies Take Lead in Job Instruction

(CONTINUED FROM PAGE 1)

Metropolitan's use of the job instructor training method dates back to April of this year when S. W. Mudge, district director of the War Manpower Commission's training-within-industry program, put on a demonstration for a group of 15 officers of Metropolitan having supervision over office procedures. The program aroused sufficient interest so that two groups of 11 men each, all having substantial positions, assistant department managers on the average, spent a week of intensive work in a course conducted by training-within-industry experts. On the basis of this they were equipped to act as conference leaders for groups of 10 supervisory employees. To date about 1,150 supervisory employees have been put through the job instructor training course. These employees range from division managers to employees having supervision over half a dozen routine clerks.

Metropolitan is not only well pleased with the results of the job instructor training program in terms of output and efficiency but much of the good that has resulted is of an intangible nature that is

difficult to analyze on a dollars and cents basis.

An essential part of the plan is that it shall not include a group of more than 12 and Metropolitan has found it much better to limit the size of the group to 10. The instruction of employees covers five two-hour periods and a larger number than 10 cuts down the amount of time available for individual instruction too much.

The fundamental principles of the method are to prepare the worker, present the operation, try out the worker's performance, and follow up to see that he has learned properly. Preparing the worker includes giving him a friendly greeting, putting him at ease, and showing an attitude of helpfulness that inspires confidence. It dispels the nervousness and tenseness that are common to the employee approaching a new job and a new employer.

### General Explanation Given

Then comes a general explanation of the business, followed by an exposition of the specific operation the new employee is to perform. The instructor then demonstrates the operation and explains what he is doing and why it is done in that particular way. After the operation has been gone through a second time, with the important phases or key

points stressed, the student is given a chance to show how much he has absorbed. When he can go through the operation without a mistake he is asked to tell as he is doing each step why he is doing it.

After this the new employee is given an assignment. The instructor returns at regular intervals to check up on his accuracy and to see how he is progressing in proficiency.

## Only Upper Income Group Is Buying More Insurance in 1943 Survey Shows

The upper income group is buying 2% more life insurance in 1943 while the middle and lower income groups are buying 4% less than in 1942, according to a U. S. Chamber of Commerce survey comparing buying habits through 1942 to the first eight months of 1943. According to the survey 56% of the people are buying life insurance in 1943 compared to 58% in 1942. In the upper income group 70% are now buying life insurance compared to 68% a year ago while the middle income buyers have dropped from 61 to 57% and the lower income buyers have declined from 35 to 31% in 1943. Comparative figures showing the proportion of income invested in life insurance by income groups follows:

	Upper Income		Middle Income		Lower Income	
	1942	1943	1942	1943	1942	1943
% of Income	%	%	%	%	%	%
1% or less...	6	4	6	8	5	6
1.1 to 2%...	6	11	11	10	7	3
2.1 to 3%...	6	27	8	7	4	9
3.1 to 5%...	20	4	17	3	12	1
5.1 to 9.9%...	5	9	6	7	3	2
10% ...	14	4	9	2	3	0
10.1 to 15%...	6	3	3	2	1	1
15.1 to 20%...	2	2	1	1	*	1
Over 20% ...	3	0	*	*	*	*

\*Less than .5%.

### John Hancock Survey

Another interesting study of life insurance buying habits was presented at the annual meeting of the Life Advertisers Association by Margaret Divver, assistant advertising manager John Hancock. As a result of 6,000 personal interviews it was learned that men who earn from \$40 to \$50 a week carry about 25% more life insurance than those who earn from \$30 to \$39. Men who earn from \$50 to \$60 a week account for purchases of around 40% more than those who earn from \$40 to \$49. Men who earn from \$60 to \$80 a week can be expected to carry 50% more life insurance than those who earn from \$50 to \$59.

Likewise, incomes being equal, men with one dependent buy 10% more life insurance than men with none. Men with two dependents buy 12% more than men with one. Men with three dependents buy 25% more life insurance than men with two. Men with four dependents buy 20% more life insurance than men with three.

Of the men who buy one policy, three quarters will have bought this policy by the time they are 22. Of those who buy more than one policy, three quarters will have bought their second policy by the time they are 30.

"It is obvious from these figures that our market is affected by selective service, because 18 to 38 is the real, normal insurance market, a fact which became evident from a review of our own experience and that of the country at large," Miss Divver pointed out.

"Another interesting fact revealed in the nationwide survey is that in more than 40% of the cases where the second policy was purchased from a different company than the first, the shift had nothing to do with salesmanship. The tendency to buy from relatives and friends is more marked in the life insurance business than in any other which has been surveyed by the research organization we employed. This, we were convinced, is not a natural phenomenon, but an indication of a weakness in life insurance advertising in failing to sell the public on the services of the agent," Miss Divver stated.

## ACTUARIES

### CALIFORNIA

Barrett N. Coates	Carl E. Herfurth
<b>COATES &amp; HERFURTH</b>	
CONSULTING ACTUARIES	

582 Market Street  
SAN FRANCISCO

437 S. Hill Street  
LOS ANGELES

### ILLINOIS

#### DONALD F. CAMPBELL

DONALD F. CAMPBELL, JR.	and
Consulting Actuaries and Public Accountants	
35 Years of Service	

100 North La Salle Street, Chicago, Illinois  
Tel. State 1338

#### WALTER C. GREEN

Consulting Actuary
211 W. Wacker Drive
Chicago

Franklin 2633

#### HARRY S. TRESSEL

Certified Public Accountant and  
Actuary

10 S. La Salle St., Chicago

Associates  
M. Wolfman, F. A. I. A.  
N. A. Moscovitch, A. A. I. A.  
W. H. Gillette, C. P. A.  
L. J. Lally

Franklin 4020

### INDIANA

#### Haight, Davis & Haight, Inc.

Consulting Actuaries

FRANK J. HAIGHT, President  
Indianapolis—Omaha

#### HARRY C. MARVIN

Consulting Actuary
221 E. Ohio Street
INDIANAPOLIS, INDIANA

### NEW YORK

Established in 1865 by David Parks Fackler

#### FACKLER & COMPANY

Consulting Actuaries

8 West 40th Street  
New York

Consulting Actuaries  
Auditors and Accountants

Consulting Actuaries Auditors and Accountants
116 John Street, New York, N. Y.

### PENNSYLVANIA

#### FRANK M. SPEAKMAN CONSULTING ACTUARY

Associate  
E. P. Higgins  
THE BOURSE  
PHILADELPHIA

## THE NEW INSURANCE MONEY MAKER

issued by the  
**ILLINOIS BANKERS LIFE ASSURANCE COMPANY**

### THE INCOME BUILDER

- We have a NEW PLAN to enable you to make more money in these times.
- ONE-TENTH THE SALES, through large first commissions and large renewal commissions will return you TEN TIMES the earnings of the same volume of life insurance alone under our plan.
- IN ONE YEAR, you build as large a renewal income as you would in ten years writing the life insurance alone under our plan.
- This Insurance Pays All Ways:  
If you live too long.  
If you do not live long enough.  
If you are disabled.  
If you have an emergency need for cash.  
ALL AT EXCEEDINGLY LOW COST.

HUGH D. HART  
Vice President and Director of Agencies

## Illinois Bankers Life Assurance Company

MONMOUTH, ILLINOIS

# **FORWARD**

## **On All Fronts**

Life underwriters under arms are serving the Cause of Freedom with distinction on the far flung fields of war.

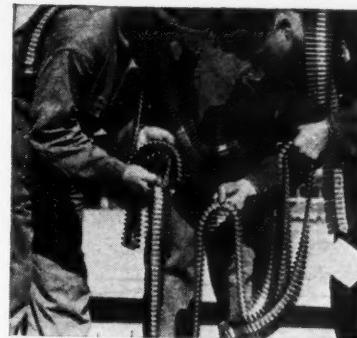
Life underwriters of the home front are also making vital contributions to the Cause of Freedom. Theirs is a national mission, even more essential in times of war than in days of peace. Their arms include the sale of new life insurance and war bonds, the servicing of life insurance now owned, the relentless assault upon inflation, and a united and determined will to carry on . . . mighty weapons all for furthering the Cause of Freedom and perpetuating the Democratic Way of Life.

## **EQUITABLE LIFE of IOWA**

*Founded 1867*

HOME OFFICE

DES MOINES



## **Plenty of Ammunition**

Managers and Field Underwriters of the Capitol Life crew not only enjoy unusual benefits under our Q-V-S Compensation Plan, they also are backed by well planned, hard hitting sales ammunition.

*Write for our Q-V-S brochure  
and other detailed facts.*

## **The CAPITOL LIFE INSURANCE Company**

Clarence J. Daly, Pres.

W. V. Woollen, Agency Vice Pres.

HOME OFFICE — DENVER, COLORADO

## **COUNTRY LIFE INSURANCE COMPANY**

*"Outstanding  
in Every Respect"*

HOME OFFICE • CHICAGO, ILLINOIS



### **"SECURITY PATTERNS"**

**NEW, NOVEL, COPYRIGHTED SALES PLAN  
—VALUABLE HELP IN SELLING WOMEN.**

There are styles in life insurance just as there are in clothes. State Mutual "Security Patterns" present a complete life insurance wardrobe. Visual Fashion Book illustrates and explains how various life insurance styles fit a woman's needs and purse.

**ANOTHER STATE MUTUAL SALES AID  
THAT'S FIELD CLICKING**

## **State Mutual Life Assurance Company**

**of Worcester, Massachusetts**

**Incorporated 1844**

*America's 5th Oldest Life Insurance Company*

# *Stories from EQUITABLE Life*

## GRATEFUL FOR HER EQUITABLE LIFE INCOME and EDUCATIONAL FUND FOR SON

*The following letter from the beneficiary of Equitable policies taken by a prudent husband and father comes to a member of one of our California Agencies who was instrumental in effecting the insurance:*

MR. BERNARD FIEHLER,  
c/o The Kellogg-Van Winkle Agency  
Los Angeles, Cal.

San Diego, June 29, 1943.

*My dear Mr. Fiehler:*

In these wartime days when American soldiers are fighting in the far corners of the world we hear a great deal about the "American Way of Life," for the preservation of which they are risking their lives. I am a widow with an eight-year-old son, and I hope that his heritage may be the kind of an America in which his father and I grew up. I hope that he, too, will enjoy the "American Way of Life." Because his father wanted to make sure that his son's heritage would also be the way of life he had planned for him, he was grateful for the advice and counsel offered by the Equitable agent who drew up a plan of life insurance to fit our family's budget and needs. It is based on a life income plan, plus an emergency fund, and an educational fund for our boy. The life income feature means that as long as I live the Equitable Society will send me a check each month. Naturally, while my boy is growing up the check is larger, but think of the feeling of security that I have in the knowledge that *as long as I live* I am assured of an income! My husband, of course, expected to live to provide for us, but he died very suddenly. Immediately, the Equitable took up the task of helping us to maintain our way of life. Certainly, life insurance is sold because someone must live.

Because I was deeply grateful for my income from Equitable I came to you for help in planning to use my son's Social Security Income to provide further for his future. Again an Equitable plan was drawn up to fit my needs. This provides an insurance policy for my son which will be paid up while he is still a young man and which will, I hope, be the basis of a life insurance program for him. It also provides for him, no matter what may happen to me, a sum of money available when I feel he is mature enough to manage it wisely. The sense of security for him which this gives me is immeasurable.

My gratitude is not easily expressed in words. I do have a very deep feeling of appreciation for the service the Equitable Society has rendered and is rendering my family. For your share in this service please accept my thanks.

*Sincerely yours,*

J. W. G.

## THE EQUITABLE LIFE ASSURANCE SOCIETY OF THE UNITED STATES

393 SEVENTH AVENUE, NEW YORK

THOMAS I. PARKINSON, President